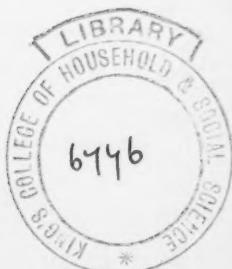


# THE JOURNAL OF PUBLIC ADMINISTRATION

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## Notes

**M**R. JOHN LEE. With the resignation of Mr. John Lee from the editorship, the JOURNAL has suffered a heavy loss. It was no easy task which he essayed just over twelve months ago. The Institute as an organization had scarcely come into existence (the membership numbered only a very few hundreds), civil servants, local government officers, and others were waiting to see what the Institute of Public Administration could do before deciding to support it. With a faith and courage, which have been justified by the event, John Lee undertook to give the necessary demonstration, and in the course of last year issued the first four numbers of this JOURNAL. Throughout his editorship he aimed high and won success. By this achievement he confirmed the establishment of the Institute. It will be the endeavour of his successor to maintain at all times the standard which he set.

\* \* \*

**THE I.P.A. DINNER.** The dinner of the Institute at the Hotel Cecil was a gathering which will take its place in the history of the Institute. Both General Smuts and Mr. Bruce, the Australian Premier, sounded the note of the place which the Institute would take not merely in cultivating a science of public administration for centralized government but in the general co-ordination of administration, as, in General Smuts' words, "the greatest of all arts." The reply on behalf of the Institute was entrusted to Sir John Anderson, G.C.B., who puts us once more under an obligation for his clear thought and careful estimate of the functions of such an Institute and for a wide survey of its possibilities in the future. Mr. Ogden Whiteley, who was associated with Sir John Anderson in the reply, took a somewhat unusual line for an after-dinner speech in his use of statistics, but they were such remarkable statistics that it gave us a thrill to hear that the local government services of this country represented a total annual expenditure of more than £300,000,000 and he gave us very definite cause for encouragement in his review of the results achieved by public administration, in the improvement of the health of the community, in the alleviation of human suffering, and in the increase of human happiness. It was quite in line with the general aims of the Institute that the Imperial note should have been heard not so much as a triumphant note but as an articulation of a sense of responsibility which will grow step by step with the means which are taken to carry that sense of responsibility into visible action.

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**THE IMPERIAL CONFERENCES.** From the point of view of the readers of this JOURNAL, the Imperial and Imperial Economic Conferences which

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*The · Journal · of · Public · Administration*

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were held in October and November have two aspects of special interest. First, the government of the Irish Free State was represented at these conferences for the first time as a separate government. Secondly, the secretariat arrangements were organized on what may be called a co-operative basis: that is to say, while each member of the secretariat had the primary duty of working for one of the governments represented, all members were concerned with the general work of the conferences, and were present at their meetings.

**POLITICAL MATTERS.** The work of the Imperial Conference was more of a political than of an administrative character, as the main topics discussed related to foreign affairs, defence and the status of India in other parts of the Empire. It is interesting to note how the practice has developed in recent years of full and frank discussion on all matters which affect the interests of the various partners in the British Commonwealth without exception or reservation. The British government, as the "senior partner," may have still the greatest influence as well as the most secrets to disclose. But it may well be imagined that the other governments, to use the words of the concluding resolution of the conference, have a great and growing share in "the work of achieving unity of thought and action on matters of common concern."

**ECONOMIC POLICY.** The Imperial Economic Conference was occupied for the most part with questions of economic policy, but the conference also reviewed under a number of heads the administrative machinery affecting Imperial development and Empire trade—and indeed, it is hardly possible to draw a hard and fast line between the two categories. The conference reaffirmed the policy of Imperial preference, and the British Government intimated that they intended to submit to Parliament a number of proposals for modifications and adjustments in connection with the existing tariff duties with a view to making the preferences already given more effective from the standpoint of the Dominions. The conference also reaffirmed the principle that in all parts of the Empire effective preference should be given in all government contracts to goods made and materials produced within the Empire. An expert committee was formed to consider difficulties which had arisen in regard to exchange between certain parts of the Empire and between such parts and the United Kingdom, including bank charges on exchange transactions, and to recommend what practical means could be taken to deal with them. The committee came to the conclusion, which the conference endorsed, that, arising as they did from the suspension of an effective gold standard, the difficulties of inter-Imperial exchange would disappear when the currencies of Great Britain and the Dominions affected were again made convertible into gold. They did not consider that it was necessary or desirable to adopt plans, such as had been worked out, for a new instrument of credit which involved difficult and

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disputable constitutional and financial questions. The conference had before it in particular a scheme worked out by Mr. Darling of the Midland Bank Ltd. Where difficulties had arisen in regard to exchange between certain parts of the Empire and between such parts and the United Kingdom, the conference thought that the position could be ameliorated if the issuing authorities were to accumulate sterling assets and to undertake to exchange their legal currencies for sterling and *vice versa*. This measure they thought might be further assisted by the creation of central banks and by mutual co-operation as recommended by the Genoa conference. An interesting and novel proposal which was adopted by the conference was that brought forward by the British government for promoting co-operation in financial assistance to Imperial development, the object being to facilitate the anticipation of work which otherwise would not be taken in hand for some years. The British Government suggested that they should give a contribution towards the interest charges on loans raised for capital expenditure of this kind by public utility undertakings under either public or private control or management. It is intended that the assistance should be only in respect of orders placed in this country and would be applicable only to schemes approved by the Governments concerned, and certified by them to be in anticipation of normal expenditure. The conference also reaffirmed the policy of oversea settlement within the Empire. The existing arrangements for recruitment, assisted passages, reception and settlement, etc., were reviewed and suggestions for improvement were examined and adopted.

ADMINISTRATIVE MACHINERY. As regards the items which fall more particularly under the heading of improvements in administrative machinery affecting trade, the conference took up such questions as Imperial co-operation in respect of commercial intelligence, statistics, shipping, postal and telegraph questions, customs formalities, reciprocal enforcement of judgments, and so on. Committees were set up to examine these various topics in detail and agreement was reached on many points. In the case of statistics, however, the British Government did not secure agreement with their proposal that there should be an advisory committee nominated by the governments concerned, to assist in the preparation of a scheme of inter-Imperial trade statistics. Canada dissented on the grounds that it would hamper the establishment of close contact between the Dominions and the United Kingdom statistical offices, and the proposal was abandoned.

One further recommendation of the conference should be mentioned, as it is one of considerable interest and constitutes in some measure a new departure. The conference, with Canada alone dissenting, resolved that it is desirable to establish an Imperial Economic Committee, comprising representatives of the governments represented in the Imperial Conference

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and responsible to those governments. The functions of the committee are to be to consider and advise upon any matters of an economic or commercial character, other than those dealt with by the Imperial Shipping Committee, which may be referred to it by any of the constituent governments, provided that no question which has any reference to another part of the Empire may be referred to the Committee without the assent of the government concerned. The committee therefore will have functions in matters of trade and Imperial development somewhat akin to those of the Imperial Shipping Committee in questions affecting shipping. The new committee will clearly constitute a very interesting experiment. Though a purely advisory body, it will do something at any rate to fill the gap between conferences, which in the nature of the case can only be held at considerable intervals. It will be able to continue the examination of topics already considered at conferences or, on instructions from the governments, to initiate other lines of inquiry and to prepare material for consideration either by the several governments represented upon it or by a future conference.

ORGANIZATION OF ECONOMIC CONFERENCE. A very great deal of the work of the conference was carried on by means of committees. These committees consisted of Ministers, or of Ministers and officials, or of officials only, and they were assisted on occasion by experts from outside the sphere of politics and the Civil Service. It was laid down at the beginning of the conference that, if delegates to the plenary conference acted as members of committees, they should be at liberty to bring technical advisers with them: and, indeed, the chairman pointed out that, on technical subjects, the committees would consist more conveniently of technical experts than of delegates. Some committees, therefore, such as the Oversea Settlement Committee, and the committee on co-operation for technical research included Ministers as well as officials and other experts; the Commercial Facilities Committee, which dealt with customs formalities, commercial intelligence services and other administrative matters, consisted entirely of officials while the inter-Imperial Exchanges Committee, consisted almost entirely of technical experts. The chairman was a well-known banker—Sir Charles Addis, of the Hong-Kong and Shanghai Bank—and Col. Armstrong, a late President of the Federation of British Industries, was a member. Mr. Niemeyer and Mr. Hawtrey represented the British Treasury. All these committees reported to the plenary conference and all their resolutions were adopted. It may be added, perhaps, that among the advantages accruing from the conference possibly not the least is that it enabled officials concerned with economic questions in the various parts of the Empire to meet, to discuss their work, and to establish relations which will inevitably facilitate understanding on points under discussion in the future.

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REPARATIONS ENQUIRIES. Following on the refusal of France in November to agree to the institution of an enquiry into Germany's capacity to pay reparations by an international commission of experts, the Reparations Commission, in the exercise of its powers under the Treaty of Versailles, agreed to set up two committees, to investigate different aspects of the problem. The first committee, which will consist of two members from each of the following countries—Britain, France, Italy, Belgium, and the United States of America—is to enquire into the German budgetary situation and the German currency. The second committee, which will consist of five members—one from each of the five countries named above—is to investigate the problem of German holdings abroad with a view to the recovery of capital sent out of the country in order to evade reparations obligations. On the second committee the Rt. Hon. Reginald McKenna is the British nominee. The problem which this committee has to investigate presents considerable difficulties, some of which arise from banking law and practice. In these circumstances special significance attaches to the fact that the committee consists of five of the world's leading bankers.

Before these notes are published the other committee will have commenced work. Nothing detailed is known at this moment regarding the probable scope of its researches and deliberations, but the announcements already made indicate that they will possess considerable interest from the point of view of public administration. The first task of the committee would appear to be to estimate, on the basis of ascertained facts (necessarily including many relating to the Ruhr) the taxable capacity of Germany. As, however, conditions are subject to such violent fluctuations it would appear to be necessary in the first instance to make any such estimate on the basis of conditions obtaining at some given date. Progress with this part of the work must necessarily be largely dependent on the speed and accuracy with which the German government can supply the required statistical data. The second problem is to devise a system of taxation which will produce the estimated revenue. During last year the tax collecting system of Germany produced the revenue estimated for in terms of marks, but could not produce the purchasing power which was originally intended. It is extremely difficult, one might almost say impossible, to conceive of a system of taxation which could produce for the government a definite volume of purchasing power when the value of the monetary unit is subject to considerable fluctuations. It would therefore appear that the committee in facing this part of their problem, while they may propose alterations in the German system of taxation, will be driven to concentrate their greatest efforts on the question of stabilizing the mark. For a number of weeks the mark has shown a remarkable tendency to stabilization, the creation of the Rentenmark, which is based on gold, having beneficially affected the

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market for paper marks. This, however, has only been possible owing to the continuance of a *de facto* moratorium over a considerable portion of German indebtedness. The task of the committee will be to produce a scheme which if approved by the Reparations Commission and accepted by Germany would lead to permanent stabilization. Among other things such a scheme must include provisions for the balancing of the budget at the earliest possible date. In other words, the committee will have to consider both sides of the budget situation of Germany—expenditure as well as income. How far this will lead them time will show. It is clear that the whole problem will have to be considered administratively before the question of Germany's capacity to pay can be determined, and the unfortunate "Reparations deadlock" of the last twelve months be broken. Nothing is known as yet regarding the procedure which will be followed or the organization which the committee will adopt. After a preliminary survey of the ground to be covered by the full committee, it may be found necessary to appoint sub-committees to undertake some detailed work. The Reparations Commission, as the body responsible for the appointment of the committee, will of course make arrangements for the necessary secretariat. Enough has already been said in the daily and weekly press regarding the personnel of the committee; readers of this JOURNAL will, however, be especially interested to note the appointment of Sir Josiah Stamp, who has been a member of the Council of the Institute of Public Administration since its inception and has twice contributed important articles to this JOURNAL, the second one appearing in the present issue. Sir Robert Kindersley, the other British representative, is best known as a banker, but he also is equipped with experience of Governmental administration obtained in various capacities.

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**PUBLIC WORKS, ROADS, AND TRANSPORT CONGRESS.** This congress was held in the Agricultural Hall, London, in the closing week of last November. A glance at the list of vice-presidents shows that not only were the Dominion Governments interested in the congress but that all societies and institutions in England and Scotland concerned with public works in any form appear to have taken a part in its work. An extensive exhibition of processes and appliances dear to the hearts of engineers and surveyors of local authorities, was an important feature. Most attractive of all, however, were the conferences arranged by various associations such as the Association of Managers of Sewage Disposal Works, the British Waterworks Association, the Institute of Cleansing Superintendents, the Institution of Municipal and County Engineers, the Municipal Electrical Association, the Institute of Gas Engineers, and the County Land Agents Association.

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## *Evolution of the Civil Service*

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# The Constitutional Evolution of the Civil Service

BY THE VISCOUNT HALDANE OF CLOAN, O.M.

[*Being the Presidential Address to the Institute of Public Administration, delivered on the 25th October, 1923]*

YOU have asked me to come here and deliver the introductory address of the series to which our chairman has just referred, and when I received your invitation I naturally began to take thought of what I should try to say to you. What one says, of course, depends upon the topic which one wishes to make most distinct and upon the ideas which occur. Well, to me there are some ideas which in this connection seem deeply interesting and very instructive, and I propose to-night to take my own way and submit these to you in just the fashion in which they have struck my mind.

What is the purpose of our new Institute of Public Administration? Its purpose is, not, I think, to be a wooden organization, not any mere body for looking after the interests of individual members; that can be done otherwise. Its main purpose is to work for the good of the whole of the Civil Service, imperial and local in equal degree, and if it is to do that it must not lose itself in details, but it must try rather to fashion a school of thought, a school of thought which may permeate the whole Civil Service and enable people to lift themselves to a higher level and thereby gain more influence and potency in the community.

Now if that is to be done, it must be done by the way of ideas. Of ideas it has been said that they have hands and feet, and they are often of terrific potency. We see that in the affairs of other nations at this moment, but with us they are of a potency which is less violent, but hardly less great. If we thoroughly understand the meaning of the Civil Service organization, if we find in it a tendency which we can develop and develop in ever heightening directions, then indeed we have a potent instrument, because, after all, it is profoundly true what used to be Sir William Hamilton's maxim—"On earth there is nothing great but man, and in man there is nothing great but mind." Well, it is the mind we are seeking to develop in our Civil Service.

We are fortunately free to take this step. There is no law, there is no regulation of which I am aware in the Civil Service, which interferes in the slightest degree with our thus working out our own freedom in advance. I am not quite sure that that would have proved to be so in the case of all continental nations. I know of some which I think have what we fortunately do not possess, a body of laws which regulate in a searching

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fashion administrative services, and which restrict thought in those services very closely. Just as Freemasonry is looked on askance in many parts of the Continent, so I expect any organization of Civil Servants, for however laudable a purpose, would be looked on with great suspicion in certain countries. They would call it an interference with the State ; but that is because the law of liberty is different abroad to what it is with us. Abroad they do not have everywhere the maxim that people may do just what they please so long as they do not run up against the law. There are certain principles of constitutional freedom which have been made the express foundations, under rigid constitutions of the rights of liberty, and these are suspended by the Government when the Government thinks it good to suspend them ; and when that happens, people are not free to do what they like, even though they may not be contravening a particular law. But with us in this country it is quite different. That a man may do exactly what he pleases so long as he does not run up against some definite law is the very foundation of our charter of liberty. Judges proceed on that footing ; freedom is of the very breath of the British Constitution, and the principle has had its marked results.

I do not know that you can say that we have unlimitedly profited by the principle being what it is, but I should say equally that I have no doubt that we have profited on balance enormously by its being so. It has developed in us the sense of individuality, the feeling that whatever anyone wants to accomplish he must do for himself without aid from outside, and it has stimulated people in their capacity for extricating themselves when they get into a corner. We are of a very practical nature. We have little of the abstract mind ; we have not many principles in our politics or in our action. Continuity is to be looked for from a different source, the source of that varying character of public opinion, but with variations within definite limits, which has always been distinct with us. The difficulty of finding first principles when you come to deal with the British nation has had its bad effects on the Continent ; they suspect us profoundly all over Europe ; they think when we act apparently without any abstract principle laid down that we have been really concealing an abstract purpose. If you go to-day and read the continental press, you will find suspicion of England very widely diffused. That is in reality because we are not in a hurry to act, and because also when we do act we seem to act in a practical way which they think has been a design for the profit of ourselves which we have kept up our sleeves. That is not true, but it is very difficult to persuade the foreigner of the fact. I have endeavoured myself, by no means always with success, to convince foreign statesmen that we had really nothing except the cards we put upon the table. Well, that is the outcome of our habit of mind, and it is interesting to see how it has worked, because it has had a profound influence upon the Civil Service.

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In this country the tendency is not to tie things up by rules but to resort to the more elastic safeguard of saying that people ought to take advice before they act, and that has always been our habit of mind. It is not peculiar to us. Those of you who have read Mommsen in the fourth volume of his *History of Rome* will remember that he said that the remarkable thing about the Gallic chiefs was that they always acted upon the advice of some kind of council; they were not the arbitrary and self-directing people whom the Romans supposed they would find when they went there. Now no doubt the reason even then was that the real source of sovereignty, when you trace it back, is public opinion, and therefore if even an absolute monarch is to succeed he must be sure of getting public opinion on his side, and he takes the advice of those whom he trusts—possibly the minor chiefs around him. But at any rate he summons some kind of council; but that does not prevent him saying, "It is I who have the whole legal power; it is I who can make wars and treaties and dispense justice; the only point is that I take some advice before doing so." Well, the system of the Sovereign taking advice came very definitely into our country at the time of the Norman Conquest. Before that the government was split up considerably; but the Norman Conquest brought a new law and new kings and, curiously, the Norman kings took advice very systematically, although they professed they need not take it, and that the legal power to act was in their own hands. Still, the genesis of our Cabinet system and Civil Service has to begin with a study of what happened with the Norman kings.

I speak of this with something more than the usual sources of information. About twenty years ago, while I was still at the Bar, I was in a great case which came before the Committee of Privileges upon a point which at first sight seems to have very little to do with what I am referring to. It was, who is the person who had the title to administer under the King the Palace of Westminster. The Palace of Westminster, as you know, consists of the House of Lords, the House of Commons, and the other public offices which are there, and it is a royal palace to such an extent that it dispenses with the temperance acts because it is a royal palace, and the King is not subject to Acts of Parliament unless he is named. Of course, the King is not named in liquor statutes. Well, the question was, Who was entitled to administer under the Sovereign the Palace of Westminster? It was not the Cabinet. Doubtless Parliament could have passed a statute upon the subject, but it was just the kind of thing that they do not do, and we had to find who was the person entitled to control the palace, and it turned out that it was an hereditary office, that it had become split up by the succession of people of a certain descent who took the dignity, just like land, in shares, and that the happy possessor of this title was the possessor of a half of a

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third share. I need not tell you that that involved much research. I studied it for those who were connected with it before I was prepared to argue the case. I cut short all that, only mentioning it for the purpose of showing what a curious situation arose, for we found that those in the Palace were a long suffering household. Here was the general household of our monarch as established at the Norman Conquest. There was a Lord Great Chamberlain who looked after the Palace, there was a Lord Butler who looked after his cellar—that is an office which unfortunately has become extinct—there was a Lord Steward to look after his Household, and then there was a Secretary, and because the only people who could read or write in those days were clergymen, this Secretary was a clergyman, and he, because he was always at the King's ear, became a very potent man, and afterwards developed into the Lord Chancellor. I looked up all this because I myself occupied that office. I found that he received 5s. a day and some cake and wine and candles. The allowance for food appears to have been considered very magnificent in those days; he had 5s. a day for his food, but if he dined outside the Palace, it was reduced by the Treasury in the reign of Henry II to 3s. 6d. Well, now, the Lords Chamberlain had an office which in those days was made hereditary. These great household offices were held by heads of great families, and they became freehold hereditaments which descended according to the rules of the English Common Law; and that is how it came about that a fraction—I think a half of a third—determined the title in the case of which I am speaking. But presently, as Parliament grew up, and as the judges became potent, it was inconvenient that the King's Household should consist of hereditary people who might not be in the least fitted for their work, particularly as occasionally the heir was a woman who could not discharge the military offices which were attached to the possession of the freehold. Slowly there was evolved a sort of deputy for these people, and to-day there is a Lord Chamberlain and a Lord Steward who were quite distinct from the Lord Great Chamberlain and from the Lord High Steward, and who do not hold their office in any hereditary fashion. The Lord High Stewardship is no longer hereditary, although there are other people who have held this office by descent, but the office of Lord Great Chamberlain is still hereditary, and there still attaches to him the control of the Palace of Westminster.

I now come back to that, because it is a very curious light which it throws on the things that actually happened. The King's Household ceased by degrees to consist of hereditary officers, and he collected round him councillors who came to represent the influence of the Church and the Nobles and the interests of the Commons. But the point I am making is that the advisory body of the Sovereign in anything like its present form was a body that was slowly evolved, and which was subject to his power, being the source of the law laid down in the time of the Tudors.

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If you wanted to get anything through Parliament you presented a petition called a Bill, and that is the origin of a Bill in Parliament now. In theory it is a petition to the King, and in those days it was a very real petition, and very often the King vetoed these Bills when he did not like them; but by and by Parliament established its own authority. Even to-day a private Bill is a sort of petition for justice which is administered by Parliament in the name of the Sovereign, and it takes shape in a Bill. All that represented a slow and gradual evolution of which you have an instance in the position of the Civil Service to-day, which took place while the Constitution was evolving itself, and throughout this depended upon advice and upon moral obligation—because there was not a legal obligation to follow the advice when given.

There arose in that way what was called a Convention of the Constitution. It is curious to see how they did arrive at it. There was a King capable of making any law he liked in his palace; even down to the time of James I that doctrine was not obsolete. But it is becoming progressively obsolete, and what happened was that some check had to be put upon the King, and oddly enough the check was put upon him by his judges. Perhaps I over-estimate the value of the judges. I have been engaged since 10.30 this morning sitting on the Woolsack with colleagues concentrated on evolving between that hour and 4 o'clock the meaning of words in a contract which some merchants had fashioned. It was perfectly clear that they had not fashioned any precise meaning at all, and it was equally clear that we had to find what we had to pronounce for, and that is what we have been doing all day, and we have a third day of it to-morrow. It is marvellous how the Britisher ties himself up in his contracts, without having any distinct impression of what he means by the words of them. But generally he knows roughly what he is driving at, and that is the source of his efficiency, and it becomes the functions of the judges to fathom the meaning of what he puts there. People began to bring before the old Courts—I am talking now of the Courts of the early Tudor days—the proposition that the Sovereign had ordained that this or that should happen, and the judges then began to say, "Yes, if it is something that is ordained, that is an end of the matter; we must recognize that the British Constitution has given the monarch complete legal power, but our duty is not to be satisfied that he has ordained anything until it is proved, and the proper proof is that, just as a will requires witnesses, so an act of the Sovereign requires witnesses," which must bring people around him. Take the beginning words of the enacting part of an Act of Parliament to-day—"Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled." A judge will not look at a statute unless you produce an Act contributing the proper evidence that the two Houses of Parliament

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have advised the King and the King has given his Royal Assent to the Act, and it has to be produced in the form of an Act in order to prove that the two Houses of Parliament have sent it to the King. For some years I had, as Lord Chancellor, to be responsible for seeing to this, and I know the formalities well. But when they have it there, the judges can say, "We have now evidence that the King, with his proper witnesses, has ordained something in the exercise of his legal power." From this has grown up the constitutional usage which, through the judges laying down rules of evidence when they could not lay down rules of law, has formed our Constitution. The judges have succeeded in establishing the power of Parliament, and it is the same with the other powers. I at one time was Keeper of the Great Seal, and the Great Seal did not stay at the Palace ; it stayed with me. When it was my duty to put it to a treaty, I did not at once do so, although I knew that the King is the only person that makes treaties. I did not set the Seal until I had satisfied myself that it was in accordance with the advice of the Foreign Secretary and of the Cabinet that this Seal should be set, and when I was satisfied that it could constitutionally be affixed I put the wax seal to the treaty ; and so potent was the Great Seal that nobody would look at a treaty without it ; and more than that, if the Great Seal had been stolen—and I had some reasons to think at one time that the suffragettes had designs on it—they might have affixed it in a way that would have taken not less than an Act of Parliament to undo. Then we come down to one of those things with which Sir John Anderson is so familiar—the exercise of the Sovereign's right under the form of his Sign Manual. It requires the counter-signature of the Secretary of State, otherwise it is not looked at. That only shows you how rules of evidence have taken the place of rules of substantive law and qualified them, and how that comes from this, that the moral and constitutional obligation to take advice is of the essence of the public business of this country.

That brings me still nearer to the real point. There are, as you know, in the Cabinet five Secretaries of State. The Prime Minister does not discharge the functions of any one of these Ministers. Constitutionally he cannot. The Prime Minister is very much like the head of the Norman Kings' Household ; he can go to the King and say, "Turn out So-and-so," but until he is turned out, the Prime Minister cannot supersede the Secretary of State's work. The seals are delivered by the Sovereign to each Secretary of State. That Minister does not go for directions to the Prime Minister ; he only aims at acting in harmony with the Cabinet and in consulting the Prime Minister on any important thing he does. But for the rest, he is the direct and responsible adviser to the King, and he goes to the King on all important questions. Well, that leads to very curious consequences. There are five Secretaries of State—for Home Affairs, for Foreign Affairs, for the Colonies, for War, and for

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## *Evolution of the Civil Service*

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India. The Admiralty has a different constitution. Each of those five Secretaries of State has the full authority of a Secretary of State ; that is to say, he can legally do the business of any of the Secretaries ; he is qualified by his position to transact the business of other offices if it is proper for him to do so. I myself have had the honour of fulfilling the duties of Home Secretary several times, and I have fulfilled the duties to relieve my proper colleague. The peculiarity of such occasions is that, suppose you were, as I was, Secretary of State for War, and in communication with the Home Office, you might find yourself communicating with yourself in the capacity of Home Secretary. At one time my colleague at the Home Office went away for a holiday, and asked me to take over his work, and I had just addressed a letter to the Home Office for some powers. I had written an official letter, as Secretary for War. But when I was at the Home Office one of the first things I was called upon to do was to refuse my own request, and I wrote a letter to myself saying "No."

Now you see how the advice of the Civil Service comes in, and what a restraining effect it has upon an individual Minister. I do not mean to say that we are entirely in the clutches of our Civil Service advisers. Sometimes you put great responsibilities upon us and are reluctant to do all that we want. I had an illustration of that. I remember a colleague of mine at the Home Office, who had been working hard, said he would like to go to Paris at Easter. But he added, "I cannot leave the country unless another Secretary of State will take my place ; will you take it ?" I said, "I have been working very hard too, and I am really almost exhausted, and was looking forward to a few days in Scotland." He said, "I am in a position to promise that you will not be troubled at all." So I went to Scotland, and I had only been there but a few hours when a telegram came to say that a prisoner was to be executed the next morning, and news had come in that there might be new facts which would have to be considered as to a reprieve, and they could not arrive until 1 or 2 the following morning. Your predecessor, Sir John, said "We have directed the Post Office at your village in Scotland to be kept open all night, and we hope you will be able to watch, and that you will look out and send a telegram to us very early in the morning after considering the facts and giving your decision. We are sorry we cannot give you any advice on the spot, because we do not know what materials are coming in." I spent a rather disturbed night ; I had not one man up but two, and I remained up half dressed awaiting the summons from the Home Office. However, it came out that there was nothing in it. There was no evidence to displace a clear case of murder, and the man was executed the next morning. But I did not find it a happy way of spending my first night in Scotland, and wished I had let the Home Office alone. But that was nothing. Late in the

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afternoon came another telegram giving me the news that a riot had broken out in a Welsh seaport town, that there was a strike in the docks, that the shipowners were bringing in three ship loads of blacklegs, and that a large body of miners were marching down to assist the strikers, and were announcing that they were going to burn the docks. What was to be done? It was very perplexing. I said I would come up by the night express, but meantime something had to be done, because the miners were marching. Instead of muddling my mind with books, and knowing that I could get no distinct advice from the Home Office that would relieve my responsibility, I had to think what was to be done? I called my dog and took a walk, and by the end of it my mind was clear, and the conclusion I came to was this: "If I was going along a road, which I had a perfect right to do, and there was an open powder magazine with people about it, and I began to light a match or a pipe in passing by, the business of a policeman would be to arrest me, and to arrest me even though I had my perfect liberty to walk along that road, on the ground of *Salus populi suprema lex*—the safety of the public is the supreme law, and my freedom does not matter if I am endangering public safety." I therefore telegraphed to the Home Office to "Arrest the three ships, and if necessary arrest the masters and some of the officers." I came up and found the Law Officers a little dubious; the ships had been stopped when they were within their apparent rights. But fortunately, I was able to produce the latest edition of Mr. Dicey's book on the Constitution and to use it in support of my own view that the law was as I had defined it. Well, the strike was stopped, everything went smoothly, the miners went back, the row was adjusted. But later on the House of Commons got hold of it, and the actual Secretary of State for Home Affairs and President of the Board of Trade both thought they were going down to get an ovation for stopping this strike. They did not tell me it was coming on—not that I had any ambition to be present, but suddenly I was sent for, and I went down to find that the House of Commons had raised the question of the Constitution, and it was for me to say that the blame for apparently arbitrary action was not my right hon. friends', but mine personally. Although for the moment the peril had been settled, the question of liberty was raised. But when I cited the passage from the great Mr. Dicey the opposition took off their hats and said, "Don't do it again." It was a success.

I only tell you these things that you may understand how very curiously the position of a Secretary of State is complicated by the fact that he has different sets of advisers according to the capacity he is acting in, and I tell these things also in order to show how wide must be the range of knowledge of the perfectly equipped Civil Servant. But it is even more instructive to pursue the matter into other illustrations.

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I spoke of the Lord Great Chamberlain as having established his title before the Committee of Privileges to be confirmed by the King in the Governorship of the Palace of Westminster. You would have thought that that title was perfectly distinct ; you would have thought it if you did not know how obscure our unwritten Constitution is. When I was at the Bar my friend, the late Prime Minister, Mr. Asquith, was also at the Bar, and we were in a great many Appeals in the House of Lords against each other, and we had got into the habit of looking for assistance from the authorities at the House of Lords. Our clerks used to telephone down to find out when our cases were coming on, and thereby we were saved hours of time. One day there came a refusal to give us this information by telephone any more, and we took the matter in hand, and we went to the Lord Chancellor. He said " How monstrous, no telephone ? I will see to that " ; but presently there came a communication from the Lord Chancellor that he regretted to say that he found that, notwithstanding his position, he had no authority over the telephones of the House of Lords, and we ought to go to the Clerk of Parliament. We went to him, and he said " Monstrous, I will put it right," but in twenty-four hours there came a message that he had no power, and we should go to the Lord Great Chamberlain. We went to him, and he said " Of course, I will see to it," and from him, too, came a message saying that he had no control. It turned out that the real agent was the representative of the National Telephone Company—who had a contract in those days. Then it was for us to find out who it was who had let him refuse us and to have his blood. Somehow or other we secured the aid of the Treasury and Office of Works, and the telephone was restored to us, and it turned out that it had been through the vagaries of a clerk of the National Telephone Co. who was in authority there. Not knowing who his chief was he exercised an uncontrolled discretion, and he said he was not going to have his office burdened with unnecessary things. That shows how obscure the situation is under our always changing constitution, and how much a well trained Civil Servant was to know. Even when I became Lord Chancellor there was a scandal which was fortunately checked, but not until the evening papers had got hold of it and issued bills proclaiming it. About the third day I was there I received a warrant for £1,850 from the Treasury. Now the Treasury is not a body that is in the habit of sending out warrants loosely, and I sent for the principal secretary and said " What is this ? " He said " There is an ancient custom of our Constitution under which the Lord Chancellors have perquisites for the purchase of silver plate, and the perquisite is repeated even when the same person becomes Chancellor three or four times. It always comes." It does not appear in the Estimates ? No, because it used originally to come from the Sovereign when the Lord Chancellor was the King's principal Minister,

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and it had been commuted into this payment, which is placed on the Civil List, and that is why it does not appear in the Estimates. Well, I was Lord Chancellor under a Liberal Ministry which was going in for economy, and I was bound to say that this was a monstrous payment. The Lord Chancellor was quite well enough paid, especially as in those days the taxes were rather lower than they are now. But I said "I can do something to deliver my successors from this very troublesome thing. There is a state coach which the Lord Chancellor has, which was bought by some Lord Chancellor long ago, and which is bought by each succeeding Lord Chancellor from his predecessor, and I should like to have this venerable coach under Government control, because I am terrified whenever they take me to the Law Courts in it," and I said "The Treasury might purchase that for about £60, as they have done analogously for the Speaker of the House of Commons, and hold it for the Lord Chancellor's office." The same might be done with the gold robes which cost several hundred pounds, and which have to be paid for personally, and there are little permanent things of that kind which amount to about £320 in all, and if the Treasury will take these over and hold them not only for me, but my successors, then I will gladly return the £1,850." The Treasury was very much pleased at having back a balance of £1,500, and clinched the bargain at once. I looked on that as a little thing done, and thought no more about it, but three weeks later to my surprise I saw on the placards of the evening papers "Terrible scandal in connection with the financial arrangements of the Lord Chancellor's office," and when I looked to see what the Treasury had done, I found that they said nothing about the £1,850 which had been returned under the head of the Civil List, but they had put in a supplementary estimate for over £300 for my coach and my robes and these things, and the Public Accounts Committee naturally thought that they had got hold of a very fine thing. In response to my indignant protest the Treasury, of course, at once went and explained that this did not represent the whole transaction. The affair made me feel how necessary it is to explain all about a thing before the Public Accounts Committee get hold of it. I could multiply these cases, but it is taking up time undesirably, and what I want to say about them is this, that in order to understand how such obscurities arise, you must look at the growth of the advisory service, whether it consists of Ministers or the next stage of Civil Servants—you must go back to the household of the Norman monarchs, and see how the things have changed in the evolution of Parliament and Constitution. If you do that, you will find how enormously important it is that first principles should be clearly understood, and should form the basis of advice.

There has been a great controversy lately about the prerogative, some people saying that prerogative has disappeared altogether, and other people saying if we only had the full prerogative how much better it would be for

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Governments at present. They want to see the powers of the King increased. It is all irrelevant. The prerogative proper has not gone. The King is there at the head of the State, but he always takes advice, and in taking advice he is entitled to put all sorts of questions to his Ministers, and if he thinks that some person should not be recommended for a Peerage, he is entitled to ask full questions as to why that should be done, and he may say "Give me the opinion of the full Cabinet about it." In nine cases out of ten the Prime Minister would not fight a doubtful case, and the matter would drop—that is to say, if there was good reason for dropping it. But the King is entitled to be fully advised before he does that or any other act, and really the prerogative of the Sovereign is something that arises from his close contact with his Ministers and the advice which he is entitled to call for before he exercises his legal powers. It works out constitutionally by the conventions of the Constitution that the King follows public opinion as public opinion is expressing itself by the majority in Parliament, and he has in the last resort power of dismissing his Government if he thinks that that Government is not in accordance with what public opinion has become. But it is a very considerable power and a very real power, although it does not arise so much upon a legal basis as upon an advisory basis; and it is the same thing with his Ministers. If a Secretary of State acted against the advice of his colleagues, well, he has the legal power to do so, but he would soon get himself into vast trouble, not only with the business concerned, but with his colleagues; and the power of giving advice is a power that goes and further extends down. The head of the department gives it to the Minister, the head of the department is himself advised, and below that there are others who give advice, and so it goes deep down. I remember when I was at the War Office, we were busy in getting the Estimates cut down. The chiefs told me that it was impossible to cut them down further, they were cut to the bone—33 millions—and lower they could not get them. I said "All right, try again and get them down to 28 millions," and they came again and said "31 millions." I said "Splendid, you are getting near the 28 millions." They went away, and finally they came back, and the Chief of the General Staff said "It is wonderful to relate that we have got it to 28 millions." I said "What was the difficulty?" and he replied that "The fact was that we were perfectly *bona fide* in telling you we could not cut the figure down, and the reason was we had to take advice from people here and there and at headquarters who did not realize that it was their duty to go very minutely into the expenditure of money, and when it was put to them and they went over it, they cut down all sorts of subordinate estimates to within the figure." I mention that only as showing that within the Civil Service itself this question of giving advice is a matter of great importance and immense responsibility.

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Well, there was a Committee which sat on the machinery of government. We went into these things very closely with many of the heads of the Civil Service—you remember the time—and on that Committee I had the privilege of having as colleague a man I shall always look upon as most remarkable—Sir Robert Morant. Sir Robert Morant was a man who had a genius for understanding administration; he was a great thinker and a great adviser, and he was a person of resolute will who knew how to put his will through. He did much to bring into existence the Health Ministry, which superseded the old Local Government Ministry, and I often thought that if he had continued he would have broken up the Poor Law by classifying the poor into sets of people who required to be treated differently from one another, and he would have solved that great problem confronting us. It was the spirit of Sir Robert Morant, his refusal to accept hard systems and leave them without breaking them up. It is that spirit we need if we are to solve the problems confronting us in the Civil Service.

Our Civil Service is very good; it is the best in the world. I have always been a dreamer of dreams, and I dream that our Civil Service may become yet more important. That will be achieved if I am right in thinking that the source of its strength lies not only in preserving time-honoured principles, but in establishing as a truth that our Civil Service is a school of thought, and the more we develop it as a school of thought the more it will appeal to people outside. The Dominion Premiers are with us. We have to-day many very good Civil Servants, but we should have a still greater Civil Service than we have to-day in England. It might be a Civil Service, a school of thought, not merely for this country, but for the whole of the Empire. I do not mean that we should appoint here Civil Servants for Australia and Canada, their Governments would not look at us, they want their own people. But it is quite another thing to consider whether an Imperial School of Civil Service thought is not possible which should have its branches all over the Empire, and whether its headquarters here should be in a position to send out very highly trained and suitable men to go for two or three years as Civil Servants in Dominion Governments, and then perhaps come back and train for those Dominions over here others to take their places.

That is not a mere dream. We did that with the British Army. The General Staff came into existence in September, 1906. At first it was the thinking body of the British Army alone, but then the idea came that it might be the thinking body of all the forces of the Empire. I well remember the conference of the Premiers at which this was discussed. At first they did not like the idea because they did not realize that it was sending out officers whom you could sack and send back if you did not want them. But when they saw that under the proposed system you might find them as useful as we found them, and when they were sure that

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they were complete masters in their own houses in what was only a school of thought, just as this is a school of thought, they accepted, and Sir Wilfrid Laurier and General Botha accepted it, and the General Staff became the Imperial General Staff of the Empire. The result was that there was a constant interchange of ideas and common study, and when the great war came it turned out that all the armies of the Empire with hardly an exception had organized themselves on the same patterns, with the same equipment, with similarity of ideas about strategy and tactics, in most cases with the same weapons, and that we were really one army ready to concentrate on a particular part of the Continent of Europe and other parts of the globe where we were wanted. That shows what ideas will do without legal compulsion. Legal compulsion is put out of account in a Constitution such as that of the British Empire, and it is only on the quality of ideas and the readiness of people to accept them that you can depend.

I remember well how the intention of doing that was put into my own head. I was in Berlin, and I had an interview with the General who was then the head of the German Staff. I was very friendly with him; he was against war and wanted peace. But we discussed contingencies of war, and he said very seriously that war would be serious for you because we had no reserves. I said "Have you considered the Empire?" and he said "Yes, but your Constitution does not permit you to organize it." Of course, I knew we could not put any pressure on Canada and Australia, and I went home in the train and the idea flashed over me of starting this idea of an Imperial General Staff, which the Dominions were good enough to adopt 18 months later. There it is, the potent factor of ideas, which made the British Constitution, which preserves its continuity; the ideas which give continuity to our foreign policy, so obscure to people on the Continent; it is ideas that take the place of abstract principles and make them unnecessary.

I was reading again last night what I had read before, the Address given by Sir Stanley Leathes on the training of the Civil Servants,<sup>1</sup> and I found there what seemed to be just this conception, the notion that the Civil Service was a school of thought, and the tests which you should apply should be the tests which should bring forward the men and women who are best in thought and capacity for the administration of this spirit, regardless of their origin or of their social connections or walk in life or anything else except that their intellect, capacity, and moral capacity were more potent and more apparent to Sir Stanley Leathes than anything that could be revealed in a mere paper examination. The thing was how to break down the barriers separating the classes of Civil Servants by letting the very best get to the top. I think that conception of Sir Stanley Leathes is the true one in the Civil Service.

<sup>1</sup> See *Journal of Public Administration*. Vol. I, No. 4.

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We have a long way to go before we can do these things, because we have to work out our own ideas and make them clear, but it is evident that we can get great assistance in a method like this from the Universities. The Universities are the places where the best and highest thinking is done in this country, and the Universities are very ready to help, and if they will start the teaching of administration, and develop first principles in connection with the growth of the Constitution, with the investigation systematically and scientifically of the multitudinous questions involved in understanding the character of the State, then they can start us on a better basis at the beginning, and they can set before us ideas higher than the ideas acquired in any other way. For my part I hope that if this Institute develops into a real school of thought it will work in close connection with the Universities, and enlist the Universities in its service. This is the last word I have to say to you. We all need education ; we all need education in that highest of all senses in which it is the avenue to the very highest. We have to educate ourselves, and it is only by educating ourselves that we can educate our leaders.

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## *Devolution of Legislative Functions*

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# Recent Tendencies Towards the Devolution of Legislative Functions to the Administration

BY SIR JOSIAH STAMP, K.B.E.

[*Being the Inaugural Lecture delivered to the Manchester Regional Group of the Institute of Public Administration.*]

ON occasions when this subject is mentioned, we usually find it expressed as "the encroachment of the administration upon legislative functions," or "the usurpation of Parliamentary functions by the departments," or by some such phrase. Common to them all is a tacit implication that there exists an absolute standard of correctness, a kind of righteous division of functions, fixed in the nature of the universe, which some malevolent or grasping or self-important interests are engaged in disturbing ; that there is an infringement of the natural rights of man ; that an undesirable development is proceeding under our very eyes ; that the "price of liberty being eternal vigilance" it behoves us to be up and doing, and to check this nefarious tendency before its momentum becomes too great for us, and it takes us to constitutional perdition.

If you want to import into the matter still more definite implications, you will deal with it in the best style of a press stunt, and refer to it as "the growing grip of bureaucracy."

Now are we right in begging the question that this is the proper angle from which to look at it ? Is it not at least possible that, if such a movement as is thus implied actually exists, it is a normal development towards the more absolutely perfect, instead of away from it, and—having regard to the complexities of modern life—a development to be approved ? I am not urging either point of view at this stage. I am only asking that we should not prejudice our enquiry at the outset by anticipating our verdict. It is conceivable that the constant hankering after Victorian standards in this matter may be but little different from that attitude of mind which regards the motor-car and the electric train as encroachments upon the standards of locomotion which are comely and convenient to a well-ordered universe.

We are warned that a movement of sinister import is going on in our midst ; the terrible doings of D.O.R.A. are flaunted before us.

We may come to think of the problem as one of evolution rather than devolution, and agree that if, with the coming of the problem we

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also develop a proper official type to meet it, an administrator of professional skill and trusted discretion, we may have satisfactorily advanced beyond the stage of enduring the efforts of a crowd of overworked amateurs in the sacred name of democracy.

One cannot say that there is an abundance of reasoned literature upon this subject. Here and there, embodied in the dusky and sedate treatment of jurisprudence, we find reference to sub-legislative action by officials or non-elected bodies. One could, of course, follow the lead of the Pickwick hero who, in writing a thesis upon Chinese metaphysics, looked up "China" in the Encyclopaedia, and then referred to "metaphysics" and by a subtle mental alchemy of his own, combined the two; so I might look up "legislation" and "administration," and by mixing them and serving them to taste, provide you with a dissertation upon administrative legislation, but such a course, I fear, would not be approved in Manchester.

As to "devolution"—well, one finds "delegation" used as a synonymous alternative, and I do not waste time drawing you a subtle distinction. Either will serve us sufficiently, for like the wiseacre in *Alice*, we may ask what is the use of words, except to mean what we choose they shall mean?

Students of politics are familiar with the statement that the communities in the later Greek City States were the closest approximation there has ever been to the literal idea of democracy, in the truest sense self-governed, when every citizen took his share of the business of government. But Aristotle's deductions from the type of the City State lead us nowhere in the science of governing larger areas. When all the intelligent citizens could come at one time under the sway of the eloquence of a single orator, it was possible, had it been so desired, to regulate the smallest affairs of every individual by consistent and uniform law, and no names need have been absent from the legislative enactment, so that executive action and administrative discretion would have been hardly needed. But the problem of population alone, added to that of distance, and of variation in local conditions, would have led inevitably to enactments in less detailed and personal terms, to general expressions of will, the interpretation and application of which would fall to an executive, which must exercise some consistent administrative discretion in applying the enactment to individuals. But more important in its effects are the consequences of the increased differentiation of society and industry, the multiplication of human activities and interests, and particularly the fight against natural forces adverse to human safety and utilization of natural forces in the assistance of man. Most far reaching of all, however, is the vast extension of the recognized scope of State activities. Even up to the nineteenth century it had not occurred to publicists that the duty of the State went far beyond the preserving of order within

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and repelling the enemy without. We picture Jeremy Bentham with a vision of the possibilities of Government, revolting against Blackstone's smug satisfaction with the British Constitution, and bursting into fame with his *Fragment on Government*. At a much later date we find the die-hard and last ditch Spencerian individualism in politics. An object lesson in our modern advance is a perusal of so recent a book as Jevons on the *State in Relation to Labour*. In a century the State has developed from the State as policeman to the State as nurse, doctor, chemist, and benefactor, guide, philosopher, and friend from cradle to grave.

With every added activity has come the experience that laws without administrative agents are vain, and thence the gamut of inspectors and expert preventers or encouragers or checkers. These, in turn, form their accumulation of expert experience and knowledge, and throw up the subject matter of new legislation.

Now picture a Greek H. G. Wells dimly apprised of these developments and letting his fluid imagination range over the kind of modifications in Government and administrative machinery that they would inevitably entail. Be such an imaginative seer yourself, and classify the occasions and reasons in which a central legislation would desire or be compelled to devolve or delegate its comprehensive functions.

**LOCAL VARIETY AND DETAIL.** *First* come those conditions in which the *variety and detail* of circumstances to which legislation will apply are so great and so little obvious to the legislator that he has no time to deal with them all properly, nor power to appreciate them. He desires to delegate to local areas or individuals who can give local and detailed study and apply general rules. To this class belongs the whole vast area of local government.

**UNKNOWN FUTURE CONDITIONS.** *Second* comes the problem of an *unknown future*, subsequent to legislation, legislation for a constantly moving set of facts—a world in flux. We may sub-divide here—

(a) Conditions may be set up or arise out of the legislation itself, which cannot be foreseen and provided for in exact terms. Someone must have power to deal with them and modify the general rules.

(b) Conditions may change completely and require a new viewpoint.

(c) Conditions may not change but they may be quite unexplored until the administrative machinery of a statute studies them closely. In this sense the real future application of the statute is unknown.

In all three cases, unless the matter is to come back continually to Parliament, someone must be empowered to act as conditions require.

**COMPLEX AND TECHNICAL AFFAIRS.** *Thirdly*, the matters to be dealt with may be so *complicated* and *technical* that only experts can properly deal with them. As Mr. Laski<sup>1</sup> says: "The House of Commons may

<sup>1</sup> *The Journal of Public Administration*, Vol. I, p. 93.

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wish to protect authors, but it is wise to leave the details of international copyright to expert administration. It may wish to prohibit the sale of poisons, but sanity demands that the list of poisons be determined by the Pharmaceutical Society."

URGENCY. In the fourth place *urgency* may require immediate action. It might be inexpedient to summon Parliament, or if Parliament were sitting it might be inadvisable to interrupt its consideration of other matters. It is obviously more convenient in the case of an epidemic or an outbreak of foot and mouth disease that the necessary orders should be issued by an official body under statutory powers even if the action taken requires some distinct ratification.

POLITICAL FEELING. *Fifthly*, it may be inadvisable that the details of administration should be made a part of the programme of *Party strife*. If a general principle has been carried by a majority of the House after strong opposition and, perhaps, prognostication of failure, it is obvious that concrete instances of practical difficulty would relight all the fires of controversy with a chorus of "I told you so." The simple application of the principle, upon which the majority had agreed, in some local area or at some particular emergency, might raise over and over again in acute form all the heated arguments that attended the original debate, and thus make administration on judicial and uniform lines impossible. The opponents would, perhaps, be able to point to particular instances as illustrations of the evils they had foreseen, and it might well be that a general principle would never get a proper chance of establishment if it were always to be challengeable and discredited on the concrete instances as they arose in administration.

TWO CHIEF METHODS. If these five reasons for the delegation of authority might occur to any thinker working out the probabilities in the abstract, we, I am sure, from our experience of the facts, can readily supply examples under each head. Now a legislature desiring to relieve itself of pressure of work can delegate in one of two ways, either to another elected body, i.e. elected *ad hoc* for a different purpose or for a smaller area, or to a State Department, a body of officials represented by a responsible Minister in Parliament itself. The public in general do not think much about the first kind of delegation, for it is accepted as free from all objections if there is a mere partition of functions between two elected bodies. But it is the intervention of the so-called "irresponsible official" which interests us here. The first kind of delegation would, therefore, not trouble us at all were it not for the fact that outright devolution is rarely found, i.e. the local elected body is not often left with supreme power so far as the larger exercise of its functions is concerned.

First, there is the fear that in the eccentricities of local representation, there may possibly be in some quarters an abuse of the powers granted affecting the resident citizens or perhaps the citizens in adjoining areas.

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In the second place, perhaps the stronger reason is the desire to have a reasonable amount of uniformity of general practice, consistent with the details of the local desire over the country as a whole, to say nothing of the necessity or desirability of a vehicle of common experience. Thus it comes about that the legislature desires to put the larger action of the self-governing units under some kind of central check, and whether it is the prison commissions, lunacy regulations, or poor law controls, history has shown that there has been wisdom in this course. The first kind of delegation, therefore, delegation to other elected bodies, does not escape our consideration this evening, because there is some intervention as between the two authorities, or rather there is the delegation to an official of some control or check upon local action. It will be necessary, then, for us to consider briefly the main questions that arise in this sphere.

LOCAL ADMINISTRATION. The application of statutory provisions to local areas may be roughly divided into two groups. In the first the code is settled, and the local authorities have the power to apply it at their discretion, with or without adaptive powers. Many public health provisions are of this character.

In the second group the Act merely has general provisions, leaving the details to be filled in by the subordinate authority. We may instance the Motor Car Act of 1903, and the Unemployed Workmen's Act of 1905, and also the Housing of the Working Classes.

On the Continent we find, as a common system, that there is a delegation in respect of Local Government to a Government official, who co-operates or acts with the advice of Committees or Councils recruited and elected from local areas. Our system mainly, by way of contrast, is the delegation to local elected bodies under some kind of departmental check or control. That private bills or local bills can be obtained for every kind of public activity or alteration of local rights, means, of course, in modern times covering an overwhelming mass of detail, in which, although there may be general principles operative, local divergences and interests are such that general principles cannot be automatically applied. So far as action of a local character has necessitated some kind of delegation of Parliamentary sovereignty, some of the earliest forms seem to have arisen in connection with enclosures (Enclosure Act, 1801 and 1845), and in connection with public health questions and charitable trusts. The Board of Trade has interposed between the local applicants and the legislature, and given provisional orders so that eventually the local applicants had virtually nothing more to do than to get such an order, and had only to take action with regard to Parliament in the rare event of opposition arising.

In the case of compulsorily taking over land for Local Government purposes, the Provisional Order actually stood unless there was a

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petition lodged by an owner or by twelve ratepayers. The Local Government Act of 1894, which was an important stage in many respects, also clearly marked a new step in the matter of devolution. County Councils were given power to apply the compulsory provisions of Land Clause Acts, no longer to be confirmed by Parliament but by the Local Government Board absolutely. Moreover, the Local Government Board was given freedom to make rules for its own procedure. Those interested in the judicial aspects will also remember that definite limits were placed to the power of Courts to intervene on technical grounds. Mr. Laski says<sup>1</sup>: "When a power is conferred, it appears, the department concerned may use its own methods by deciding that it is wise to use the power. The absence of express enactment in the enabling Act means that the department is free to embark upon any procedure it pleases; nor will the Courts enquire if such practice results, or can in its nature result, in justice. In such an attitude, what Professor Dicey has taught us to understand as the rule of law becomes largely obsolete."

Of course, we are interested not so much in the devolution of power to other elected bodies subordinate to Parliament, but in the bureaucratic check on behalf of Parliament upon such powers. Whether we are quite right in looking upon this as a limitation to the sovereignty, or power exercised by a local elected body, I doubt. To me it appears to be a very natural desire that there should be some co-ordinate authority in order that widespread anomalies and differences of treatment under general rules should not be allowed to grow up. In an important case we get the following judicial dictum: "This case presents an illustration of the lengths to which Parliament had the right to go in ousting the powers and jurisdiction of Courts. If a majority in Parliament were successful in passing an Act of Parliament which had that effect then the jurisdiction of Courts of Law in matters in which some people might think it was desirable that even Government departments should be under the control of the Courts was nevertheless ousted, and the Court had no power to interfere with the decision of the department."

Under the evolution of what may be called provisional order legislature, we begin with a brief setting forth of the "terms and conditions on which the order making authority will declare itself to be of opinion that the action in question shall be taken," until we get down to the Public Health Acts under which the Local Government Board, now the Ministry of Health, can even wholly or partly repeal, alter, or amend certain clauses of local Acts. In Scotland in 1899 an Act set up a new kind of devolution by letting the procedure for a private bill be dealt with entirely by the Secretary for Scotland, who submitted the matter to outside Commissioners who then recommended refusal or acceptance. The jurists declared that Scotland was thus deprived of the primal right

<sup>1</sup> *The Journal of Public Administration.* Vol. I., p. 95.

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to petition Parliament, and the measure has been criticized as not wholly satisfactory from the constitutional standpoint.

It has thus come about in this delegation of sovereignty legislation to local bodies that the greater part of Local Government law is to be found in statutory rules and orders, and not in the statutes themselves, e.g. the elected guardians have many discretionary and executive powers, but the Poor Law Commissioners keep them all in order. The Rules Delegation Act of 1893 sets out all this kind of legislation made by the rule-making authorities, and not requiring confirmation.

Now let us pass to the *delegation of the second order*—which is the detailed application of an act to the whole country by departmental agents direct rather than by locally elected bodies subject to a central check.

I do not intend to take up any of your time in discussing the wide differences that exist in different countries in political theory, i.e. where ultimate sovereignty reigns as the prerogative of the Crown or Ruler. These differences, of course, are the fundamental reasons why the powers of the administration and their practice vary so considerably. We have, for example, nothing similar to the sub-legislative powers of the United States President, and on the Continent officials have very wide powers of making ordinances or decrees.

It is well known as a remarkable example that in Italy in the final text of the criminal code there was never any submission to the Legislature, for after debate they left it to the executive to draft the code, and then the whole code was enacted without discussion by Royal decree.

Foreign observers have exaggerated the extent to which our own Parliament goes into details, and tries to provide for every conceivable case in the operation of an Act. Legislators have the right to do this, and in the past they have often tried to do it, and they still try to do it in certain circumstances where experience has not taught them better, or shown that some alternative method is at hand. Mr. Merson gives as a model,<sup>1</sup> which it is not desirable to adopt, the Seeds Act of 1920, where the Minister may, "after consultation with representatives of the interests concerned, make regulations generally for the purpose of carrying this Act into effect," and, in particular, for prescribing the seeds to which the Act is to apply. But, indeed, what other course is open to Parliament on a matter in which expert advice is necessary? Parliament has, indeed, left to departmental regulation all the administrative details, including even the *scope* of those principles, which it has confined itself to stating on general lines.

It has been said that Parliament does not *govern*, that England is governed by the Executive. Parliament suffers from a double limitation

<sup>1</sup> *The Civilian*, 12th May, 1923.

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of time and attitude which effectively precludes it from dealing with anything more than general principles.

The mere index to the rules and orders in force, references only and not the text of the rules themselves, run to a volume of well over 1,000 pages, while the annual volumes of the rules and orders themselves, of a public character, and not including the local and temporary ones, are over ten times the size of those required for the statutes during the same period.

Mr. Frank Merson has very well said: "Departments are, perhaps, somewhat too ready to assume that they command public confidence, and it should be one of the principles of practical administration to be borne in mind by all officials, that no steps should be taken which could in any sense be regarded as an exercise by the Crown of arbitrary power. The wide powers now granted by Parliament to Government departments render it most important that they should exercise them in such a manner as to inspire public confidence."<sup>1</sup>

The ordinary citizen cannot find his duty in the statute. As Dr. Carr says: "When must he alter his breakfast-room clock or his wrist-watch for summer time? It is not an Act but an Order in Council which tells him. How does he register his motor car, and on what part of the car must he display the licence and the identification marks? The Roads Act is silent, or merely refers him to regulations to be made by the Minister of Transport. How much postage will be charged on a 3½ oz. letter to Cambridge, or a parcel of newspapers to Paris or India? All that the Post Office Acts say is that the Treasury may fix these charges on the representation of the Postmaster-General."<sup>2</sup>

As a detailed concrete illustration of powers wielded by a departmental authority, let me take the question of coal mines control as originating in pre-war conditions and as subsequently modified. The Mining Industry Act, 1920, transferred to the Secretary for Mines the powers in regard to mines previously exercised by the Home Office and certain other departments.

The law (Coal Mines Regulation Acts, 1887, 1908, etc.), in relation to mines of coal, stratified ironstone, shale, and fireclay, was codified and modernized by the Coal Mines Act of 1911. This Act lays down specific requirements as to the management of the mines, makes definite provision for the health and safety of the workers in respect of ventilation, safety lamps, shafts and winding, travelling roads and haulage, support of roof and sides, signalling, machinery, the use of electricity, explosives, the prevention of coal dust, etc., confers on the Government inspectors power to examine or enquire into the State or condition of any mine, and gives authority to the Secretary of State (since transferred to the

<sup>1</sup> *The Civilian*, 19th May, 1923.

<sup>2</sup> *Delegated Legislation*.

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Secretary for Mines) to make general regulations regarding the conduct of mining, *which may amplify any of the provisions laid down in the Act, and also amend certain of them*, as well as to make supplementary special regulations in respect of any particular mine.

Under this authority general regulations have been issued from time to time, after consultation with representative bodies in the industry, prescribing in greater detail the conditions to be complied with in almost every branch of mining practice, but more particularly in regard to the use of electricity and explosives, precautions against coal dust, the provision of rescue apparatus and sanitary conveniences, and other matters concerning which the instructions laid down in the Act are less precise.

Section 116 requires a dispute on the principal matters which are the subject of regulations to be referred to one of the panel of Referees appointed under the Act, and it has been the practice of the Secretary for Mines to allow responsible parties, i.e. the Mining Association or the Miners' Federation, to argue any objections they may have to proposed regulations before the official Referee, whose decision is binding on the Secretary for Mines. A substantial number of questions come before the official Referee in this manner, but probably not more than 25 per cent of the total. Proposed regulations involving matters of importance are invariably discussed with representative parties before the Secretary for Mines decides as to their final form.

Apart from the inherent British dislike of official regulations there is very little criticism by the industry of the action of the department under this statute. There is some complaint as to the inevitable number and complexity of the regulations. For instance, the manager of an efficient colliery cannot see why regulations should be necessary to force him to manage his pit in conformity with a standard which he either had adopted or would adopt of his own free will. He forgets that there are always a small number of unsatisfactory owners and managers who will forsake sound mining practice if thereby they can derive some temporary advantage, and that these people can only be restrained by force.

The Secretary for Mines is not only empowered to make general regulations, but Section 86 gives the further power by regulation to vary or amend any provisions of the Act which relate to safety in mines or to the employment of horses underground. I will refer later on to this comprehensive power. *Mining Industry Act, 1920*, confers on the Secretary for Mines powers for making regulations in respect of metalliferous mines similar to those already possessed by him in respect of coal mines. After consultation with representative parties, or holding such enquiry as is thought fit, he may make regulation for drainage schemes and apportion any necessary expenditure between the colliery owners benefited.

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The regulation may amend or repeal any local Act of Parliament dealing with such drainage. Under this Section the long standing problem of a drainage scheme for the Old Hill district of South Staffordshire has been successfully solved.

Part II of the Act was an endeavour to devise some type of organization of the coal mining industry which would give effect to the highest common factor of the various reports of the Coal Industry Commission. The root principle of this scheme was the regulation of wages on a district basis by reference to the profits of the industry in each district, together with a system of joint committees and boards designed to provide simple and uniform machinery whereby all problems affecting the workmen, including the regulation of wages, the conditions of labour, output, and questions of safety and general welfare could be dealt with in an efficient and co-ordinated manner. It was also provided that the decisions arrived at by the industry itself through the medium of this machinery might be formally recognized and given mandatory force by the Secretary for Mines.

During the passage of the Bill through Parliament the miners, at that time committed to nationalization and opposed to district settlements, formally refused to co-operate in any way in working the Act. In view of this attitude, a section was necessary (Section 17) providing that the scheme of Part II should cease to have effect if, after the lapse of one year, it were to have been rendered abortive by the refusal of either party to co-operate in setting up the requisite machinery.

After the settlement of the strike of 1921 the miners withdrew their opposition, but the owners then declined to co-operate in the scheme on the ground that it was unnecessary and undesirable to convert the terms of settlement and the National Board—both of which were voluntarily agreed to by owners and miners—into a compulsory scheme under the aegis of the Secretary for Mines. Although the miners pressed for the retention in force of Part II, motions to that effect were defeated in both Houses, and with the lapse, on the 9th March, 1922, of the thirty days prescribed in Section 17, the principles of Part II of the Act ceased to have effect.

**TAXATION.** In matters relating to taxation the Constitution has, of course, been particularly rigid. Only the House of Commons has the power to impose imperial taxation, and any kind of delegation of this authority would be hotly resented. Local bodies and officials to a very large extent are responsible for working the taxing statutes. But their powers are very limited, and the taxation of individuals proceeds according to strict rules and cannot be varied. It is true that facts have to be determined, but it is only facts, and not the application of the law to those facts that is capable of judgment outside the House of Commons. We do not ordinarily, therefore, find very much delegation of legislative

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authority to officials in revenue matters. In the earlier Acts, however, even the forms of return were prescribed by law, but with the evolution of a strong and expert department it has been found to be quite consistent with public liberty to allow such a department to prescribe the forms which are necessary for the law to be carried out. But the rule-making power has, in the last few years, spread even to this class of statute. I remember very well soon after the outbreak of war when Mr. Lloyd George, as Chancellor of the Exchequer, decided to double the rates of tax for the last half year, that we had to draft for the Act the necessary rules for the deduction of tax from dividends and annual payments. To do this neatly and briefly was not easy, because the deduction question in itself is highly technical. What was wanted to be done was perfectly clear to everyone, but rules to cover all the cases were not easy to put into a statute which could be understood by everyone, or which could be easily made intelligible to the House of Commons. An alteration in the rate of tax in the middle of a financial year sounds simple enough, but it plays havoc with the Income Tax statutes. Either the draughtsmen did not like the job or the Chancellor did not care to explain it word by word in the House, but at any rate the Inland Revenue were given power to make the necessary rules, and I remember that this was not easy at the time, although, as usual, looking back on it it seems simple enough now that it has been done successfully. In my zeal I wanted to create a precedent by putting an algebraical formula into the rule, but my more cautious colleagues over-ruled me.

When we came to the Excess Profits Duty special considerations arose. First of all, we did not know the precise circumstances to which the Act would apply; we were dealing with a moving problem, and a problem only partly known. We were dealing, moreover, with a problem which would change its character from time to time, and a problem above all in which the tax itself would modify or make new conditions. When you have a tax of that weight you may be sure that in itself it becomes an important economic factor. Now it is often inadvisable in a taxing statute to be too explicit as to the treatment of things when they arise, if the knowledge given will enable the taxpayer—I will not say to *evade* the law, but adjust his conduct to its niceties. In vain is the net spread in the sight of any bird! Often it had to be urged upon Ministers that it was impossible to do anything *prospectively* in a tax like Excess Profits Duty. Any change had to be retrospective, otherwise accounts could be closed or carried on without closing at the will of the taxpayer, and business could be adjusted with the full light of the actual liability upon it and, therefore, not a process strictly according to nature, but conditioned by these artificial considerations. This Act, therefore, made three very important departures in the matter of delegation. First of all, it delegated to the department the power to make *rules* for procedure

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after the leading time limits, etc., had been laid down in the Act itself. In the second place it conferred quite a considerable number of discretions to the Commissioners of Inland Revenue, such as a discretion to decide in individual cases the length of an accounting period, or the amount to be allowed as managerial remuneration—discretions which should be exercised uniformly by a single authority, and in the light of facts as they revealed themselves. In such instances, even if it had been possible for Parliament to legislate for all the different circumstances in advance, it was highly undesirable to present the taxpayer with too clear details and to enable him to accommodate the conduct of his business to a wholly artificial compliance with the line of least liability.

The third important departure was the delegation of powers to an independent Board of Referees who were enabled to substitute by order their own percentage for a class of trade or business for the percentage given in the statute. This was done because the point to be settled was considered to be a highly technical one, requiring precise commercial knowledge. They were designed to be a body to make *ad hoc* investigation, and the Inland Revenue had no official or statutory place in their deliberations. As a matter of fact, however, they could never have functioned without the actual co-operation of the official body in criticizing the claims made, making expert technical and statistical researches, which an unpaid amateur body, however eminent, has no faculty for.

The Board of Referees quickly put the department in the box as defendants for the Crown, and confined themselves, in the main, to deciding between the parties, by compromise or otherwise, on the evidence submitted.

It is a curious thing that many attempts were made by isolated Members of Parliament to extend this delegated power of deciding the taxation of the subject by giving the Referees, or even the Board of Inland Revenue, power to deal with *individual* cases, or hard cases, and it was the Chancellor and the Department that always resisted this unwarrantable constitutional extension of special powers.

DEVOLUTION SINCE THE WAR. The conditions of the war period were so exceptional that we should expect to find Parliament and the Cabinet with the main burden of conducting the war upon their shoulders, throwing off all that they possibly could, and trusting other authorities much more than they would, in the ordinary course, be inclined to do ; delegating their powers to State departments without reserving the power of confirmation or revision. Thus local authorities borrowing during the war had to obtain Treasury sanction, and those investing in war loans or making capital expenditure had to get the authority of the appropriate Government departments. Various public undertakings that were working under orders or statutes with time limits naturally got into difficulties during the war, and the power of waiving the time

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limit or of extending the time was conferred upon a department, thus making it unnecessary to apply for new bills. Quite an unusual strain in every economic direction gave rise to similar problems, thus the Gas Standard Act of 1916 put the question of illuminating power into departmental hands, with special reference to the economic stress set up by the manufacture of munitions of war, and again, the great alteration in prices made it necessary that the statutory provisions which affected the charges for trams, gas, etc., might be temporarily modified.

In the alteration in the electoral suffrage we find very wide provisions in which the departments were allowed by order to do "any matter or thing which appeared to them to be necessary"—that was, during the war period for the preparation of registers and the conduct of elections. In the discussion of devolution in general, it is not, perhaps, fair to dwell upon the deeds that were done under D.O.R.A. Conditions so wholly exceptional should not be taken to indicate any tendencies of a permanent character. Nevertheless, D.O.R.A. left her mark upon subsequent legislation, for since the Armistice there has been a distinct modification in the way in which devolution has been conferred. Instead of giving outright powers to authorities and departments to form some legislative act, the legislature endeavours to retain some check or reference. In the Ministry of Health Act, 1919, there is an attempt to classify this check according to the importance or class of orders made, e.g. (1) a mere settlement of the date when a provision is to commence to operate does not require revision by any authority, but (2) where fuller effect is given to statutory changes a check is provided and publicity is to be given in draft form and for 30 days before Parliament, and the scheme is subject to an address in the case of objection. The third class, such as transfers of departmental powers not provided in the statute, require a much closer confirmation. They have to be the subject of a special resolution approving the draft in both Houses of Parliament.

In the Ministry of Transport Act, 1919, there were several new features. Draft orders have to be scrutinized now by Parliamentary officials, such as the Chairman of Ways and Means—a substitution for the procedure to which private bills were subjected. Corporate enterprises had to apply to the appropriate departments for their powers in lieu of getting private bills, but Parliamentary supervision was theoretically provided.

Under the Electric Supply Act of 1919, the Electricity Commissioners' orders require a kind of double sanction; they have to be confirmed by the Board of Trade, and then by resolutions in Parliament. In the same way the Gas Regulation Act of 1920 requires the special order of the Board of Trade to be the subject of resolutions in both Houses.

Mr. Quekett observes that it is impossible to pronounce on the merits of the new form of conditional devolution until a greater amount of

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experience has indicated the merits or demerits. He considers it to be open to objection that these things should be the subject of general debates on the floor of the House.

Devolution now is of a mixed character, proceeding partly from a "mood of distrust," and it is doubtful whether the expedients provided will be as suitable as the old ones, such as Select Committees sitting upon private bills, or the ordinary statutory confirmation of provisional orders. Mr. Quekett suggests as a solution that there should be a group of provisional councils subordinate to Parliament.

If it be agreed, as I think it must, that delegation of authority must continue, and can continue with advantage, we are left entirely with the problem of safeguards—measures to ensure that the actual original intention of the legislating authority shall be continuously carried out. It is only where such intention becomes departed from that abuse arises. It is difficult to improve upon Dr. Cecil Carr's five-fold treatment.

*First*—Delegation should be only to a trustworthy authority which commands the national confidence.

*Second*—The limits within which the delegated power is to be exercised ought to be definitely laid down.

*Third*—*The Safeguard of Interested Advice.* This is the case where action cannot be taken until advice has been, at any rate, heard—until certain bodies presumed to be affected or to have expert knowledge have been consulted. Special Advisory Committees are all the fashion in this respect, as we find under the Dyestuffs Import Regulations Act of 1920, or the Mining Regulation Act of 1920, where the Board of Trade and Ministry of Transport are duly helped by committees. Other cases in which the Acts do not specify that people are to be consulted provide for interested people being entitled to object, upon which a public enquiry must be held. The Trades Board Act illustrates this principle.

*Fourth*—*The Safeguard of Public Notice.* If the price of liberty is eternal vigilance then the public ought always to be reading notices. What will it make of one which says: "Provisions of the regulations of 1914 and the corresponding regulations applicable to so and so shall, so far as they are inconsistent with these regulations, cease to have effect"? Such a notice requires a very considerable and detailed study of the whole problem before the real effect of the new orders can be understood. If the matter is a semi-political one, and some highly interested body, such as the Land Union, for example, is watching it closely, partly for political reasons of political strategy, then no doubt these notices will have their required effect. But in a more general case what is nobody's particular business will not be done by anyone!

*Fifth*—The final safeguard is the machinery for revocation or amendment. Sir Lynden Macassey has said that when a department has issued a provisional order, and is responsible for the administration of the Act

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under which the order is made, it may also be acting in a judicial capacity when it decides what order shall be made after enquiry of the interests affected, and finally, in issuing the order, it performs a legislative function. He argues that on these grounds there is a conflict of interest and a confusion of capacities. It cannot easily be reconciled. This may be indeed the case theoretically, but we are entitled to ask whether, in practice, any serious difficulty arises.

The Courts cannot interfere when once a provisional order has been scheduled in a bill put up to Parliament for confirmation. If they did it would be held to be interfering with Parliamentary functions, but after all it is Parliament's fault if this safeguard is only a formal one. An attitude of distrust, which, by constant challenge, is getting numerous "mare's nests" but which occasionally "comes home" with a real score, will act as a kind of moral influence upon departments. This is, perhaps, the most that can be said for this form.

A *Times* leading article recently said: "Parliament has developed a method of passing measures which contain merely bones and Government departments are given the power to supply any sort of flesh that they may think suitable. . . . The delegation by Parliament of law-making to Government departments . . . now seems to have become an otiose habit. It has been seen more than once that where the legislature gives the executive an inch it is prone to take an ell. In 1920 and 1921 attempts to tax whole classes of the people by rules and regulations which purported to be made under emergency statutes were happily thwarted by the courts of law."

Under the new Rating Bill that is before the public at the present moment for consideration, we find the following clause: "If any difficulty arises . . . in bringing into operation any of the provisions of this Act, the Minister may . . . do any other thing as appears to him necessary or expedient . . . for bringing the said provisions into operation, and such order may modify the provisions of this Act so far as may appear to the Minister necessary or expedient for carrying the order into effect." *The Times* refers to this as the intermittent and formidable interference of the Minister of Health, and says that even those who approve some of the changes will be startled by a clause which threatens to reintroduce the worst evils of legislation by regulation. I may say, however, that similar words, not perhaps quite so explicit on the modification of the Act itself, appeared in the National Health Insurance Bill, and were the target of much criticism. I believe that they were derived from an earlier but less ambitious statute, but an inspection of the orders made will, I think, convince anyone that the Act could literally never have operated but for this power.

A basic feature in the Act was the number of insured persons at a given moment, but it was nowhere laid down how this was to be determined,

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and it was, in fact, only determined after a considerable period by the aid of liberal rule making. Among the officials it was known as the "Henry VIII clause," presumably for its Tudor majesty of scope, (and doubtless the clause would have been adequate for achieving any matrimonial changes also!) There were two interesting features of this rule. It was designed to enable the Act to come into operation, but although an amending Act was passed some two years after, the enabling rule continued to be employed thereafter. Moreover, it made rules about its own rules, and perpetuated their existence when they would otherwise have lapsed.

No first-class measure of wide application comes or can come from Parliament in a workable form. Devolution lies in the path of evolution. We cannot thwart it by petulant suspicion—we must use it, and make it a servant but not a master. This entails the development of sound administrative discretion. It entails, too, the evolution of a Parliamentary function which shall neither fall into the desuetude of formalism, nor be the medium of political strategy.

As Hobbes said in the Leviathan: "How able soever be the Counsellors in any affaire, the benefit of the Counsel is greater when they give every one his advice, and the reasons of it apart, than when they do it in an Assembly by way of Orations . . . both because they have more time, to survey the consequences of action, and less subject to be carried away to contradiction through envy, emulation, or other passions arising from the difference of opinion."

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## *Some Public Servants in Fiction*

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# Some Public Servants in Fiction

BY HUMBERT WOLFE, C.B.E.

[*Read before the Institute of Public Administration, 20th December, 1923]*

MILTON concluded his justly celebrated defence of blindness by observing that

"They also serve who only stand and wait"

It is true that the poet was, superficially at any rate, referring to his own tragic loss of sight, but this will not deceive the acute reader. Milton had, of course, a long and distinguished career as a Civil Servant. Indeed, as Private Secretary to the Lord Protector he, in his own modest way, foreshadowed in his person the ringing glories of the Secretary to the Cabinet. And we are therefore entitled to assume (and if we aren't I shall assume none the less) that when he spoke of blindness he was thinking not primarily of physical, but of spiritual blindness—that mental condition which leads a man otherwise in possession of his four remaining senses to adopt the Civil Service as a career. And having brooded with increasing despondency on the disadvantages of that situation, he with the most magnificent gesture of optimism on record consoles the victim by his assurance that "standing and waiting" is also service. It will be observed, however, that his optimism does not lead him into indiscretion. He does not dwell on the one hand upon what the public servant has to "stand," nor on the other hand does he indicate what he is waiting for. He merely congratulates him generally upon his inevitable vicissitudes in both directions, believing, as a poet is entitled to believe, that misfortune is an end in itself.

We have here, therefore, the first portrait of a civil or public servant with which I am acquainted. For, since I do not include Ministers of the Crown in that description, I cannot avail myself of Shakespeare's "Wolsey." Had this not been so, I might have permitted myself to speculate whether the account of the misdirection of the list of the Cardinal's property might not have been a covert attack upon the Registry, that department so often (and so unjustly) accused of having mislaid the files relating to civilization. Nor am I prepared to accept "Polonius" as a person who would be qualified for membership of our Institute. For, though a tendency to agree with the apparently inconsistent decisions of his chief—Hamlet—might lay him open to this charge, I do not believe (in spite of what has no doubt been urged by many German commentators) that this is what Shakespeare really had in mind. Nor do I accept the view that when Hamlet referred (a trifle injudiciously) to "the insolence of office" that Shakespeare was concerned, say, with the Inland Revenue Department of the day. No,

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we must come to the conclusion that Shakespeare, having exhausted his powers of tragic endurance in the plays culminating in "King Lear," deliberately turned aside from the life that he may well have regarded as surpassing the limits of the pity and terror that a true artist is entitled to use.

And let me say at once that in accepting the thesis that the life of the public servant is one in the high tragic vein I am not basing myself upon the few facts relating to it that have come under my personal notice. I am, I hope, too experienced an administrator to be misled by facts. No, I am dealing with the life of the public servant as I find it in such fiction as has come my way, beginning perhaps with Mr. Trollope's glimpses of persons, who can only be justified on the ground that they have been dead such a long time to the endearing portraiture of Messrs. Poy and McCartney, whose figures can be justified on the ground that they never existed except in their authors' minds, and that even that existence, having regard to its slender origins, must be regarded as precarious. But when I do face the public servant as so portrayed I confess that I am conscious of the dark and persistent shape of tragedy, drooping remorselessly and indeed expansively, if I may use the phrase, "all over the shop." For what is the general, the composite picture of the public servant which evolves itself? There are, in fact, two main streams of representation—what I may call the mandarin-cum-parasite, and on the other hand the type relegated to penal servitude for life which the caprice of the judge has preferred to label "Imprisonment in the Second Division." The first of these types is fairly uniform. He is distinguished by equal imbecility and callousness. Indeed, his only pretension to articulate intellect is displayed in the low cunning with which he adheres to his post. He is a barnacle, or, as the more reticent wit of our generation puts it, a limpet. Like that obscure shellfish, his life's business is to stick, for no particular purpose, to obscure and unlighted portions of the public ship. (I do not apologise for the use of this phrase, because it has now been settled, by general agreement, that the omission of this metaphor in any sustained reference to the State argues the performer to be devoid of all acquaintance with the subject.) But, like the shellfish, our limpet is not only adhesive and secretive, he has a fishlike absence of mind, and he has this particular fish's quality of hardness. If you set about the limpet you are liable to bruise your knuckles, and at the end to find that nothing has been accomplished. Nor must "you" in this connection be identified only with the public, the master of this peculiarly unsatisfactory servant, but "you" is to include the non-mandarin. The harshness of the mandarin to his employer is only exceeded by his brutality to his faithful subordinate, upon whose wits he battens. This subordinate, though mentally he may "sew yard upon yard of calico" all coloured red, and though he may

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be swathed in it to that extent that he is spared the necessity of buying new suits, yet he alone performs any negligible fraction of administration that is actually achieved. He combines with the entanglements of Laocoön the burden of Atlas, except that the world which he supports is really a desiccated orange. But infinitely contemptible and dried as it is, he alone staggers under its weight, while the mandarin walks behind him lashing him forward to that bourne from which no traveller returns, because in this case he never reaches it. Yes, these are our types—a fool jobbed in by criminal aunts, weakly vicious, and completely ignorant of the purpose and meaning of Government, while beside him pale, wan, and constant the devoted Morlock, bent to the ground by domestic embarrassment and public injury, from his deep underground pits, where he labours in darkness, emerges to tremble in the unfamiliar moonlight, shed by the minds of successive limners of the public servant. And, meantime, the great art of Government, draped like a Greek player, broods apart unrecognized and forgotten. . . . .

I am unhappily incapable of achieving a verbal representation of six full stops, and therefore I am compelled to explain to you that this is the punctuation that follows the words "unrecognized and forgotten." I have put them in so that nobody may doubt that a dramatic climax of the first order has been reached—a long tragic pause in which you are asked to envisage the shapes in conflict of the art of Government and the two public servants. It was because I had this tremendous dichotomy in mind that I hinted that Shakespeare had faltered, yes, had not dared to snatch the veil aside. "My public," he would probably explain to Kit Marlowe (if he happened to be alive at the time)—"My public can stand two lovers dying exquisitely in one tomb, they can endure Kent's 'vile jellies' reft from his forehead, they can sit through Lady Macbeth's outcry to the dagger, they can with hearts unwrung hear Desdemona's tale that begins 'My mother had a maid called Barbara,' and they can confront Egypt's 'immortal longings.' But this, Kit," he would say, "—well, I put it to you. Is it or isn't it caviare?" And if Shakespeare avoided the theme it may (though I hope it will not) be objected that I might perhaps be well advised to leave it alone. I will not deny that this is an objection which I have more than once felt, in the course of writing this paper, to be well founded. I have consoled myself with the well-known aphorism that a Civil Servant not only does not know when he is beaten, but frequently does not know when he is dead—and I have proceeded in that belief.

Nor is the matter one wholly for frivolous treatment. In *The Republic of Plato*—one of the most beautiful books that even that master of loveliness contrived—the art of administration or of Government is handled. It seemed to Plato that the highest privilege to which any citizen could aspire, as, indeed, because of its intrinsic ardours, the least

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coveted was that of Government. It did not seem to him that the arts of war were the most commendable ; of the creative arts he was doubtful, since he would not have the Ionian strains in his city ; of business, it was doubtful whether he realized that it was an art ; and of the Press he had not heard. To him, beset (or perhaps fortified) by these ignorances and prejudices, it seemed that in good administration was to be found the art of life itself. He drew with loving detail a celestial city, and his celestial citizens occupied themselves with the duty of governing, as eagerly as among us, citizens less celestial engage in commercial avocations. The governors did not apologise for governing, nor were they despised for it. So arduous was the task that rulers were self-chosen by virtue of assuming, almost against their will, the burden imposed upon them by their own high characters. In a word in Plato's city the public servant was a shadow of the "παραδείγμα τοῖς οὐράνοις."

I have this picture of Government before my eyes when I speak of the tragedy of the public servant. For I am driven to contrast it with the assumptions so unlike to those of Plato, running through fiction. For example, there is an author—Sir Stephen Demitriadi—who has written a lovable book called *Inside a Public Office*. Sir Stephen has a different picture to Plato's of the ideal public servant. In his view, the art of Government is the art of mass-production. He detects that the public servant fails in this particular art, and, without bitterness, but still firmly, invites him to compete with the manager of a department store. He will, Sir Stephen is bound to confess, never entirely succeed in reaching his objective, but at least he can try, and in the result even a public servant may attain, say, a 70 per cent efficiency. And since Sir Stephen projects that dazzling possibility, I am reluctantly compelled to admit his public servant along with Plato's to the realm of fiction. For as a German poet observed—

“Behüt dich Gott es war zu schön gewesen  
Behüt dich Gott es hat nicht sollen sein.”

It is not (happily) the purpose of this paper to inquire how this tragic change has come about, nor to speculate why those who are occupied with what in the end matters most to everybody should be so scolded and blamed. It may be perhaps that Englishmen, unlike Greeks, do not need to be governed, or it may be that the Englishman is incapable of governing. Or it may be that fiction, whether represented by Mr. Trollope or *The Evening News*, does not reflect the true attitude of Englishmen to their public servants. It may even be that the English, who in the ordinary relations of life are, above all other nations, patient, tolerant, and just, do not change radically in this one relation. Fortunately, I need not engage myself in these speculations, for I am concerned with fiction. But I could not bring myself to display to you the disheartening chronicle of the public servant in fiction without indicating

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in advance this curious outstanding fact. You will find in fiction noble and ignoble soldiers, sailors, doctors, and lawyers, and noble or ignoble often by virtue of their professional excellence or ignominy. But the public servant is uniform in colour and drawing, so that, when William Morris, for example, constructs his celestial city, he achieves it by omitting Government (and public servants) altogether.

The obvious place at which to begin, I suppose, is "The Circumlocution Office" in Dickens' *Little Dorrit*, because Dickens in a noisy, splendid way, like a large man splashing in a small bath, did drench the public servant, and give him a cold in the head (and in the heart) from which he has not yet recovered. Now, in explaining and understanding this attitude, two things must not be forgotten. In the first place, Charles Dickens was a social reformer, who really felt what was evil as a personal injury, and really hit it clean and hard. In the second place, one is at liberty to guess that the public service of the day was a thing that deserved hitting. The first of these points only requires a momentary further examination, because of a comfortable belief that the Victorian era was, on the whole, a noble and uplifting period in our history. It would, I think, be truer to say (though this may flavour of hyperbole) that it was on the whole worse than our own period, and it would certainly be true to say it would have been a great deal worse if it had not been for Dickens. For Dickens was that extraordinarily rare type of genius which could express lasting truths in music-hall phraseology. Dickens was indeed a cartoonist using a method not unlike that practised by "Poy," whom I have already mentioned. He chose, that is to say, some easily recognizable object, inflated it, attached a label to it, and then set it out on its travels in a shape as permanent as that of a big doll. The difference, however, between Dickens and "Poy" is that whereas "Poy's" figures continue to have the appearance of dummies whose producer speaks (and who apparently thinks) with the stomach, the figures of Dickens burst into life at such a speed that they almost burst out of our sight in their race for immortality. And when the figure was intended to symbolize a whole set of conditions the result was as conclusive as it was often disagreeable. "Sairey Gamp" smashed the thieving, gin-swilling generation of nurses, not only because she is a miracle of true English humour, nor because the humour threw so grim a flashlight on grave abuses, but also because of her constant use of one phrase "vich, Mrs. Erris, I ses." That phrase has the universality of "Yes, we have no bananas," but it is in Dickens' hands as though the phrase had been pronounced, as his contribution to the Ruhr crisis, say by the President of the United States.

Dickens chose to wield this terrific weapon against the public service, as he had wielded it against the delays of Chancery, the shams of Doctors Commons, the Yorkshire schoolmaster, and the parish beadle. Now

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in every one of these cases his indignation was justly aroused, and the chastisement amply deserved. I will content myself with expressing the hope that in respect of the Civil Servant he was misinformed. But whether he was misinformed or not, he has presented a picture of red tape, of callous indifference to justice and honour, of ignorance, of nepotism, of sheer overwhelming machine-like stupidity that has not been wholly erased from the canvas of the Civil Service in the sixty odd years since it was written. Fortunately (or rather unfortunately), the account of the Circumlocution Office and of the Barnacle family is so generally and so intimately known that I shall not need to devote much space to it. But I may perhaps select one or two phrases, which indicate how Dickens drove his cartoon home. First, then, of the office itself he says "Whatever was required to be done, the Circumlocution Office was beforehand with all the public departments in the art of perceiving—How not to do it." These last five words, being the "Yes, we have no bananas" motiv, are printed in capitals, much in the same way as one of our leading publicists to-day uses italics. But it does not stop there. Dickens does not trust his public to absorb the phrase in one. He repeats it eight times in the next three pages, and each time it clinches a paragraph or phrase with ringing bitterness. By the time, after three pages of brilliant repetition, we reach the Barnacle family, the nail has not only been hit on the head, but it has been hit into the reader's head. Having now firmly grasped the simple truth that the art of Government is in fact not to govern, we are introduced to Clarence Barnacle, son of Tite Barnacle, a high official in the office, cousin of Ferdinand Barnacle, who is private secretary to Lord Decimus Tite Barnacle, a person as to whose actual position in relation to the office Dickens appears to be in doubt, and who though so named he seems to believe to be a peer. But, putting that on one side, we have got four Barnacles (to say nothing of the Stillstalkings in the background) and though no capital letters have been used, we have somehow or other been led to realize that nepotism is an outstanding feature of the public service. In the matter of imbecility, however, Dickens does not use the mace. Being a genius of the first order he has a perfect golf-bag of weapons, and he now selects a rapier with a blade almost as fine and as hard as a dentist's drill. Barnacle Junior is confronted with a member of the public, who has had the temerity to invade the office without an appointment. Let us hear the description of the rising Civil Servant. "He had a superior eyeglass dangling round his neck, but unfortunately had such flat orbits to his eyes and such limp little eyelids that it wouldn't stick in when he put it up." The member of the public desires to discuss the affairs of a debtor who has been in the Marshalsea prison for about a quarter of a century (during which time it would appear the papers in his case have been lost in the Registry). Mr. Barnacle is at first divided between the

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agonies of coping with his eyeglass and those caused by the discovery that the member of the public has no appointment. He thaws, however, to the point of crying.

"But I say. Look here! Is this public business!" and receiving ambiguous reply continues—

"Is it anything about—tonnage—or that sort of thing?"

Swinburne in a moment of excitement observed that one of Dickens' characters undid a button and passed into immortality. Mr. Barnacle is safe in the same haven with his tonnage.

From Barnacle Junior the member of the public is deflected to the private house of Barnacle Senior—Tite Barnacle. Mr. Barnacle Senior is suddenly and violently revealed. "He seemed to have been sitting for his portrait to Sir Thomas Lawrence all the days of his life." Here we leave the area of the rapier. Mr. Barnacle is—by virtue of about thirty-two hyphens interposed in his sentences—red tape. After, in the most hyphenated manner, having failed to give his applicant any information he (hyphen) refers him (hyphen) to in fact (hyphen) the Circumlocution (pronounced as though it had five and twenty syllables) Office. On return to the office we are introduced to callous rudeness and puppyish insolence in the person of Mr. Wobbler and his friend, who prefer to discuss the antics of a hoccussed dog to those of the by now three parts hoccussed member of the public. On being sent elsewhere he is however called back to hear "Shut the door after you. You're letting in a devil of a draught here." Finally the stunned member of the public is brought up against the one bright Barnacle, who explained "the department to be a politico-diplomatic hocus pocus piece of machinery for the assistance of the nobs in keeping off the snobs."

There is a good deal more, but we may leave it there. Dickens had given the public service their niche in the minds of their fellow countrymen so that half a century later when the play of "Barnacles" was revised under the name of "Limpets" everybody was prepared to applaud, and it was certain of a good run.

After Dickens, Trollope. Trollope, in my view, is a writer of merit who is at the moment running the risk of being damned by a sudden revival of interest in him. He is being praised by persons infinitely cleverer than was this excellent Post Office Surveyor for qualities which he not only did not possess, but would have repudiated, if necessary, in a three volume disclaimer. The fact about Trollope, as I see him, is that he is one of the few persons who, without any literary gifts, wrote (on occasion) literature. His style is not merely execrable: it simply doesn't exist. His technique is that of a shop assistant cutting off lengths of material. As an artist he would have given Flaubert indigestion, and have hastened de Maupassant's intellectual tragedy.

And when all that has been said, it remains that except for the

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unsurpassable Jane, and perhaps Fielding, he is the best teller of a story that we have in English. His people are never witty or noble or wise, they are not romantic, or sinister, they suffer no extremities of joy or sorrow, they are content simply with living. One drifts into their company as into a vicarage tea-party. At the tea-party nothing happens, or could happen, because what we are sharing is the surface of life, not its springs. But the surface is a part of life, indeed with many the whole of life; if, therefore, the surface can be reproduced, life has been reproduced, and this with a queer, warm shrewdness and mellow grown-upness of outlook, Trollope unfalteringly captures. So much is this the case that it might even be urged that the very formlessness of his was a part of a deliberate scheme. That would be an ingenious theory, but almost certainly a wrong one. The form of his work, I am convinced, is due to its having been written largely in trains, in between the composition and reading of official memoranda. He seeks to be as unlike an official as he can, and he notably succeeds. But all the time, while I am conscious of this incorrigible sloppiness, I feel a level, gentle, but essentially masculine intelligence brooding happily but not profoundly on the gentle ranges of life spread before him. He keeps looking out of the railway carriage window and seeing an amiable country landscape. He returns to his paper and notes it down.

It is not to be expected that in such a writer we shall find repeated the savage indignations and equally savage insight of Dickens. Trollope's public servant will, we may confidently assume, be a normal mid-Victorian citizen first and a public servant second. For after all, Trollope, a Civil Servant himself, no doubt took himself in that order. But though this was to be expected, yet it is none the less remarkable how shadowy the picture of the public service is. When Trollope concerns himself with Barchester, you can almost hear the cathedral bells and the slow feet of Mr. Hardinge dragging himself gently through the Close to his almshouse. I have been to York and stood on my tip-toes peering through a great Italian Gate of wrought iron at a flagged path bordered with dahlias, and phloxes, like red-stoled canons looking over the shoulders of singing choir-boys. I have seen Gloucester Cathedral sleeping with a whole town sleeping with it. But if I want to think of a cathedral town I think not of these but of Barchester. Now even if I didn't happen to be a Civil Servant, I am sure a single visit to a post office would give me a more lively impression of the public service than all the volumes of *The Three Clerks* and *The Small House at Allington*. And this seems to be a circumstance well worth noting, because this odd unreality manifests itself in every other account of the public service that I have encountered. It seems almost as if there was something in the public service which refuses to be reduced to terms of life and art. Author after author rushes up to it determined to display its soul, and

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departs with a few melancholy strips of its outer garments. They begin one after another with the Civil Servant and end with an ordinary man, who might just as well have been a soot-broker for all the effect his occupation has upon him. I think, however, that the explanation of this is not difficult to find. In order to describe anything vividly it is necessary to experience it at first hand. One of the distinctions, for example, between a good picture and a bad picture is that in the first case the painter sets down what he himself has actually seen, in the second the painter copies either what somebody else has seen or in many cases failed to see. It is, I am convinced, one of the most difficult feats in creation to throw away the deadening mists of use with which all objects of thought and sight are surrounded, and to see them fresh. In poetry, it would perhaps be true to say that we are only true poets in so far as we use words as Adam might have used them with a little thrill of childish excitement. This is equally true of the author concerned with action and conduct. A great novelist strips off conventions and gets down to the simple facts behind them. But even he requires some assistance from the facts so revealed, but the Civil Service gives little assistance. When the mummy wrapped in red tape is unswathed, what emerges is not a romantic Egyptian princess, but a stern and austere figure with something of Athene about her. For the art of Government does not fit easily into the ordinary human passion for vivid conflict. It is as hard to feel emotion about the correct decision as to the amount of unemployment benefit payable as to sob passionately because a flaw has been discovered in the Weber-Fechner law of reaction times. It is difficult, but, as Mr. Wells has shown in his *Utopias*, not impossible. Even with Mr. Wells, however, it will be observed that his greatest successes in this form of fiction are achieved when he leaves Utopia, and the Utopians, and concentrates with a sudden vivid gasp on something which is foreign to both. You have, say in *Men Like Gods*, the beautiful and slightly ridiculous ghosts who hover faintly against the skyline of their lovely world, and you have on the other hand Mr. Freddy Mush, who sticks out like a costermonger at Poetry Bookshop, Reading. And I hasten to observe in this connection that I am not suggesting that Mr. Mush is a Civil Servant in fiction. On the contrary, I am satisfied that there never was, or could be such a person, except in the creative mind of Mr. Wells.

I conclude, therefore, on this that nobody has yet fallen in love with the public service as such. As a result, we are presented either with the purely conventionalized red tape worm or, when the author is of sterner stuff, he loses his Civil Servant in the man.

This is what happens with Trollope. I take, because it is perhaps less known, and because it is certainly a better book than *The Three Clerks*, *The Small House at Allington* to illustrate my point. The

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protagonists in this volume are Adolphus Crosbie of the General Committee Office and John Eames of the Income Tax Office. Comic relief is afforded by the figures, drawn with some little care, of Craddell, a sort of junior clerk in the Income Tax Office, and Sir Raffle Buffle, a Dickens Chairman of the Board, but with all the Dickens punch left out. Adorning the fringes of the canvas, but not coloured in, are the faint shadows of Mr. Optimist, Major Fiasco, Mr. Kissing, and Mr. Love. (I may perhaps (in parenthesis) lose my temper and observe that anybody who was sufficiently lost to reason to invent such names deserves to be the hero of a Bloomsbury revival.) The story of the book is, even for Trollope, clumsy, conventional, and ridiculously untidy. There is a young woman, whose Christian name is Lily and whose surname I have fortunately forgotten, who is wooed, won, and jilted by the swell, Adolphus Crosbie, of the Whitehall Office, and is loved in vain and in silence (punctuated, however, as so often happens in these cases, by periodic and comparatively lengthy outcries) by John Eames, the hero. Mr. Crosbie, who is, for some reason unexplained, a figure in London society, meets Lily when he has torn himself away from the General Committee Office to shoot with a friend. Adolphus, in spite of his determination to improve his position by marriage, so far forgets himself as to become affianced to Lily, who though of respectable birth, has no money, but who makes up for this by being on the whole the silliest heroine in literature, and in consequence attracts equally the admiration of her author and the manly young Eames in the Income Tax Office. Mr. Crosbie leaves his affianced bride to stay at the castle of Lord de Courcy, and there permits himself to become engaged to one of the daughters of the house. The rest of the book, so far as the main story is concerned, is devoted to describing how Mr. Crosbie informed Lily of his change of mind, how Lily bore this news, how John Eames blacked Mr. Crosbie's eye at a railway station, how Mr. Crosbie married with deplorable results the Earl's daughter, and how in the end Lily and John didn't get married, because Trollope had made such a mess of describing Lily that he probably thought that his hero had better find a sweetheart for himself.

All this, in my view, is rubbish, but, as always with Trollope, he imparts into the book something oddly real and sensible which is well worth reading and preserving. The good things in the book, to my mind, are the description of the relations between John Eames and that very attractive nobleman the Earl de Guest. With great insight and fidelity Trollope has drawn an ordinary imperfect young man with all the natural likeableness of immature and blundering things and a shrewd decent English farmer, who is just enough of an aristocrat to have good manners. The other success is in the description of silly Mr. Craddell and his adventures in the boarding house with Mrs. Lupex, the wife of a

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semi-drunken scene-painter. Trollope shows Craddell quite pointlessly fluttering round this rather musty candle, and the candle equally pointlessly singeing, while it gutters feebly, the moth's clumsy wings. There is no pretence and no violence in the picture. It is as inconclusive as Tchekov and as directly felt. It wasn't perhaps worth describing; it doesn't matter a row of beans when it has been described. But if it is to be done at all, why there it is, and it couldn't be bettered.

But all of this, you will say, leaves out the public service, even though Messrs. Crosbie, Eames, and Craddell all happen to be public servants. It does, but I warned you that it would be so. It is true that Trollope describes scenes in the Income Tax and the General Committee Offices, and dimly introduces a few additional officials. But he falls into the second class of authors who cope with the Civil Service, those who realize that you'd better get on with life. It is to me quite plain that Trollope is always bored when he is writing about the quarrels of Messrs. Kissing and Love with regard to posting the letter-book, and equally uninterested when describing the Board meeting of the General Committee Office, which Mr. Crosbie attends as secretary. He suggests faintly that the clerks are wasting their time, and that the members of the Board have nothing in particular to do. But he never even hints at the nature of the work performed by either. If Kipling had been doing it he would have invented the work in such a way that nobody who did it could possibly recognize it, and nobody who read it could fail to. But Trollope, I think, secretly believes that the work isn't worth doing at all, and scurries off to love-making and taking, and the other real business of life. The only Civil Servant that he presents as such, and not as a human being, is the Sir Rattle Buffle, who makes his private secretary fetch his boots, and with him he fails completely. Sir Raffle doesn't exist at all, and if he did, he would exist by virtue of the defects of snobbery and arrogance which even Trollope must have known were not peculiar to the higher public officials. With a sigh of obvious relief Trollope plunges into John's ineffective wooing of Lily, into the amiable detail of quiet country life, and into the silly squalor of the boarding-house. The public service—that "mobbed queen"—is left to wilt in limbo.

After Dickens and Trollope a great hush descends upon the public service. This is particularly odd because in that period the service was really suffering a dramatic change. If Dickens and Trollope are to be believed, it stood in their time for doing nothing at all, nowhere, never. If modern writers are to be believed, the fault of the public service of the day is that it attempts to do everything, everywhere, all the time. Mr. Tite Barnacle remains as adhesive as ever, but he is no longer content with the hull of the ship, he has somehow got himself stuck among the engines. And every time that the ship encounters heavy weather or even strikes a rock it is obvious that the fault lies with the now only too

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agile shellfish. Yet this momentous revolution completely escaped the notice of the later Victorian writers. Out of the wan lounger in offices, dimly reminiscent of a saloon-bar, begins slowly to develop the sinister shape of the bureaucrat, and there is nobody found to warn Britain of her danger—at least nobody that I have been able to discover.

I have considered George Eliot, Charlotte Brontë, Charles Reade, of the earlier, and George Meredith and Thomas Hardy of the later giants. I can find no trace of the public servant. Doctors, clergymen, architects, lawyers, soldiers, and sailors—all of them abound, but the public servant does not as much as cast a shadow in these august pages. It is true that Diana in *The Crossways* appears to marry “a gentlemanly official,” but to the best of my knowledge, like a good Civil Servant this person remains wrapped in anonymity. Thomas Hardy doesn’t even go as far as that: there are, it would seem, not ten good public servants to be found in all Wessex.

I am, of course, prepared to be told that these statements are merely the result of inadequate reading, and that in addition to Disraeli’s *Endymion* there are half a dozen books of first rate importance in which a public servant and the public service play a leading part. Suppose, for example, some far better read critic were suddenly to observe “There is Thomas Carlyle.” What could I say in reply except “There is, only I haven’t read him, and I don’t intend to, not even if (as seems improbable) all his heroes are public servants.” Carlyle, who wrote some fifty or sixty longish volumes in praise of resolute silence, had no business (even if he did) to deal with the public servant who spends almost as many years in the practice of it. But I expect that Thomas Carlyle shared Dr. Johnson’s view of the Civil Servant as expressed in his dictionary definition of the exciseman. And even if he didn’t, I would draw attention to the title of this paper, which is “Some Public Servants in Fiction.”

So that, having crossed the desert, we reach the works of our older contemporaries, from whom I select only H. G. Wells, E. V. Lucas, and Rudyard Kipling. Arnold Bennett I reserve for the post-war outburst of interest in what its professors believe to be the public service, but is, one is anxious to assert, something very different. Mr. Wells, as a professing socialist, has naturally an interest in administration, but his public servant is in that mood not a picture of what exists, but of what should exist. When he remodels the world

“nearer to the heart’s desire”

he does not contemplate a state of affairs where the existing public servant has been extended, but where private service has ceased to exist. You may, of course, say that his solution is to make the whole population public servants, and that thus he has reached the very opposite pole from that to which Dickens nailed his flag. You might argue that since *Little Dorrit* is an argument for the abolition of the public service, and

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*A Modern Utopia* is an argument for its universal expansion that Mr. Wells is as enthusiastic a devotee of the public servant as Dickens a critic. And that is in a sense true. For Mr. Wells, in his socialist mood, does believe in good administration as a remedy for the world's malaise, and what is more, sometimes actually appears to believe that it can be attained. But we should be congratulating ourselves too hastily if we assumed that it is anything in the public servant of to-day which inclines Mr. Wells to that roseate view. In his socialist moments Mr. Wells believed that the State should definitely control all enterprises, and that private competition should be eliminated. But the dominant figure in the new world is to be a philosopher-ruler, whose philosophy is contained in what Kant might have called "A Critique of Pure Science." Mr. Wells sweeps aside all the litter of capitalist and business civilization, and increasingly clearly concentrates on a magic world where science and applied mathematics have taken control. This idea can be seen steadily growing in force throughout his writings, both sociological and romantic, and it culminates in his last Utopia of *Men Like Gods*, where science has come to her own and in a world perfectly ordered human intelligence has addressed itself to the conquest of new dimensions. Nobody can read these visions without feeling the creative warmth of a profound mind, rotating with the easy force of a dynamo, and nobody, who is both young and intellectually eager, can resist holding his hands to that attractive flame. But nobody could conceivably detect the faintest resemblance between the cold and austere figures of Mr. Wells's valhalla of the scientific saints and the morning-coated, well-intentioned, but astoundingly pointless Civil Servant of Mr. Wells's actual acquaintance. For in *Ann Veronica* we are presented in the person of Mr. Manning with a Civil Servant who, if painted in the colour of broad farce, would still seem to convey the view that Mr. Wells has of public servants. Mr. Manning is, several of the characters in the book assure us, a gentleman. This view is, however, not borne out by anything in his conduct or conversation. He is further announced to be a comparatively successful Civil Servant. This is a regrettable declaration, because it would seem that success in the Civil Service is not incompatible with the intellectual equipment of a sentimental housemaid. Mr. Manning woos and (very temporarily) wins Ann Veronica by conventional outbursts in capital letters. But he does not stop at capital letters ; he goes even further : he writes verse, and he assures his lady, when she accepts him, that he proposes to burst into "Mighty Lines." Mr. Wells gives us an example of these mighty lines. I do not quote them, but I think that it would be fair to say that in any other profession a person capable of their emission would be filing his petition. I may, of course, be wrong in supposing that Mr. Wells regards this pretentious donkey as in any way a typical public servant. But if this is so, I can't help asking why, if

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he wished a foil for the scientist who was to win Ann Veronica, he should of all the professions have chosen a Civil Servant. And, when I ask myself that question, the answer seems to be that Mr. Wells wanted the completest contrast that he could find to the life of adventure and romance, as typified in *Ann Veronica* and her biologist, and that he found the contrast ready-made by adopting the conventional view of the deadly dullness and unswerving fidelity to routine of the public servant.

This same point of view is sustained with all his gentle (and perhaps slightly anaemic) charm by Mr. Lucas. Mr. Lucas is, of course, never harsh, and if he says "boo" to a goose, he makes it perfectly clear that it would be a very silly goose whose feelings would be ruffled by so tender an ejaculation. But if, as in the case of the public servant, he says boo to a swan, that less tractable fowl may have some cause for resentment. For nobody likes being mistaken, even in the tenderest way, for a goose, and I am afraid that there is no doubt that Mr. Ingleside—Mr. Lucas's charming public servant—is a most palpable goose. Of him, for example, Mr. Lucas observes that he held a high position in an office in Whitehall, but that his detractors suggested that Mr. Ingleside was in some doubt as to which the office was. That is a very gentle Lamb-like version of the Trafalgar Square fountains that play from ten to three. And throughout Mr. Ingleside is Mr. Manning conceived by our modern Lamb—who is perhaps distinguished from the original by a lack of mint sauce. Indeed, I am not sure that Mr. Lucas does not see the public servant through the spectacles of India House. If he could have thought of anything so neat, I think Mr. Lucas would have made Mr. Ingleside excuse the lateness of his arrival at work on the score of the earliness of his departure. What is painful in all this to one who thinks well of the public service is that Mr. Lucas reflects in his pretty, polished way what a large number of very likeable and pleasant people think. It is plain that his amiable and genially foolish Mr. Ingleside represents what these excellent persons, whose views Mr. Lucas consistently echoes, believe to be the public servant. It is, on the whole, rather more discouraging than the savage Wells caricature.

Then there is Mr. Kipling. It is perhaps unnecessary to say that the public servant who stays at home does not figure largely in Mr. Kipling's vision. For, generally speaking, Mr. Kipling is unconscious of the existence of the middle-classes, except when they go overseas, in which case they become automatically aristocrats, and so worthy of notice. There are, of course, two Mr. Kiplings. The first is perhaps the greatest writer of short stories in the English language, and the author of five or six quite first-rate poems (in which I include neither *If* nor *The Recessional*, but include the perfectly exquisite *The Way Through the Wood* which prefaces the equally exquisite *Marklake Witches*). The second Mr. Kipling is the English master of "The Hymn of Hate" school.

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The first Mr. Kipling is distinguished by an infinite capacity for loving, which is the hall-mark of genius. The second Mr. Kipling is equally distinguished by a capacity for hating, but this hatred has not the large quality of his love : it is not steady, it is not profound, it is not permanent. It is ill-tempered, ill-mannered, and bears, say, to the frescoes of "Kim" the relation of a spiteful drawing on a wall by a schoolboy in a hurry.

Unhappily, it is the second Mr. Kipling who has concerned himself with the public servant at home, while the first Mr. Kipling has paid some attention to the public servant abroad. There is a reference in a tale called "The Puzzler" to the home Civil Servant. That particular story deals with the amazing adroitness with which a Colonial Premier obtained audience of the leading members of the Cabinet upon a matter of first-class imperial importance by the expedient of helping to capture a monkey that had climbed a monkey-puzzle tree. Mr. Kipling does not altogether approve of the fact that this is (apparently) the only way in which a Colonial Premier can obtain such an audience, but he is indulgent because the Cabinet Ministers in question are all members of the upper classes. But while both he and the Colonial Premier are (quite naturally) prepared to forgive the Cabinet Ministers on this ground, they are not prepared to treat the less amply-born public servants in the same way. In response to the Colonial Premier's complaint of his treatment by a public official, Mr. Kipling observes "I told him the story of the three-million pound insurrection caused by a deputy under-secretary sitting upon a mass of green-labelled correspondence instead of reading it." And after that both he and the Colonial Premier feel themselves able to cope with the monkey.

The first Mr. Kipling, however, has very different things to say of the overseas public servant. To him the Indian civilian is one of the most sympathetic figures in modern life. It is true that their uniform strength and silence become in the long run a little tedious, but in a story such as "At the End of the Passage," written in the language of the heart and not of the *Daily Mail*, Mr. Kipling presents a tragically vivid picture of men with infinite courage and endurance carrying the weight of public service under conditions unspeakably difficult. Allowing for the prejudices of the second Mr. Kipling, the first Mr. Kipling has, alone of all writers dealing with the public service, driven home the truth, that this service may be as romantic as a crusade, as arduous as a pilgrimage, and as unrewarded as a martyrdom. Now do not suppose that I am for a moment suggesting that this is a reasonable picture of the public service, even when carried on at a distance, but it suggests to me that perhaps some day the first Mr. Kipling might (in the unlikely event of his meeting him) point out to the second Mr. Kipling that what is to him in India one of the highest of human aspirations need not necessarily decline in England to the least tolerable of imbecilities.

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Before passing to the war and post-war novel of the public service, I should perhaps apologize for having omitted the diplomatic service from consideration. My reason for this omission is that the diplomat is not in the eyes of writers of fiction a public servant in the sense that I am using the phrase here. The complaint that one might be entitled to make against the portrayal of the normal public servant is that one feature of his life and activity is seized upon to the exclusion of all the others with the result that the whole picture is false. But in the case of the diplomat the complaint rather is that the picture is based on nothing whatever. The ordinary public servant, it is grudgingly admitted, occasionally performs service, if very indifferent service, but the diplomat never serves at all. He is either a young attaché who has incautiously strayed out of a novel by Ouida, and loses no time in returning thither at the earliest moment, or he is an ambassador, engaged in intrigues and plots so secret and so subtle that it is often only at the end of his career that he learns his own name. Diplomacy is thus roughly divided between attachés who are always known by nicknames, and ambassadors who are concealed under numerals. And even when ambassadors are admitted into serious literature the fact that they are engaged in the romantic avocation of preventing or propagating wars removes from them the stigma of being associated with public service.

I can now with a comparatively easy mind address myself to the post-war novel. I said in an earlier part of this paper that after Dickens and Trollope a great hush descended upon the Civil Service. During and after the war, on the other hand, a howling tempest raged through, round, and over it. The country was like a man with indigestion. He never knew that he had a digestive system, and when he wakes up and discovers it he wishes that he hadn't. In the same way the country didn't know that it was being governed, as long as the Government was easy, sweet, and normal, but when it became difficult, sour, and abnormal the country thought that, on the whole, it would rather not be governed. Great Britain, in fact, awoke to the existence of its public service just about the time that it was disappearing to make way for the business men. "What I want," said the country after a painful pause, "is not Government but business." "You shall have it," was the unanimous reply, and Great Britain got it.

Along with business, however, it got a large number of other things which it also deserved, and not least the novelists. The novelists had often heard of the public service, but they had the idea that it was something that Mr. Sidney Webb had invented, and that being so, they hadn't read it. Now, however, they were picked up by the scruff of the neck and pitched into the middle of what must have seemed to them to be somebody else's dream. It had all the worst features of a dream. Things were happening in every direction, and with no apparent connection

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or purpose. Masses of paper, fabulously inscribed, billowed round them generally labelled "Urgent," and remained in the same place for months. Men in top hats and smoking cigars stamped up and down corridors led by boy-scouts to the most unexpected encounters. Women swept in and out of rooms with the baffled air of participators in a bargain-sale who had found their way into a church. Soldiers—red-tabbed and brass-hatted—passed in platoons, engaged upon urgent military enterprises, and members of the public in large numbers, who had come to ask questions, remained to sign the form which enrolled them as officers of the department. And in the middle of all of this a few—a very few—of the entirely discredited remnants of the old Civil Service sat, learning (as it seemed to the novelists) that what is required to cope with a war is not red tape but blue ruin.

The novelist may be forgiven if they gathered a mistaken impression in these circumstances of what the public service is. They may also be excused if many of them sought a refuge from it in the comparative quiet of the trenches. Nor is it surprising that those who remained should almost unanimously have decided that the only way to keep their mental balance was to describe what they saw and heard.

The result from the point of view of the present paper is two-fold. In the first place it is a most unfortunate circumstance that when this unrivalled opportunity of describing the public servant in fiction presented itself, there were practically no public servants left to describe. In the next place, there is a most embarrassing wealth of material. There is hardly a novel of the period that does not introduce its public servants, and that was inevitable since the population was roughly divided into those who fought the enemies abroad and those who fought one another at home. And even if I confine myself merely to novels devoted solely to Government departments I am confronted with a baker's dozen.

In these circumstances, I shall choose one novel only, *The Old Indispensables*, chiefly because alone of all the novels it has occupied itself not only with the war kaleidoscope, but also in a very intimate and penetrating way with a few real public servants. It is with regret that I deny myself the opportunity of beginning with Miss Rose Macaulay's *What Not*, and Mrs. Blanco White's *Give and Take*. Miss Macaulay's book, however, is frankly farcical, dealing as it does with the antics of the Ministry of Brains. It abounds, as anything Miss Macaulay writes must, in sudden brilliant flashes where mere wit dissolves into profound understanding, and it has more than its share of absolutely first-rate jokes, as when the War Cabinet is described as "Five minds with but a single thought—if that," or in the numerous and always enchanting announcements of the Safety-if-possible Council, as, for example, the picture which shows "A will be killed because he is standing immediately beneath a descending aerobus. B will be killed because

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he and others like him have shaken the nerve of the aviator." But Miss Macaulay does not pretend to give a picture of the public servant in fiction. She is drawing the reductio not only *ad absurdum* but *ad diabolum* of all the worst tendencies that the war imposed upon public administration. Mrs. Blanco White's book, on the other hand, is a most faithful and indeed masterly analysis of war administration. She has, as it were, taken a Blue Book, and converted it into a Yellow Book. But living, formidable, and complete as the book is, it is still not a book about the regular public servant. It is a record of the great encroaching sea of business, and only an occasional bubble on the surface indicates the faint attempt of some submerged public servant to breathe. It is with equal regret that I abstain from following Mr. Bennett and Mr. Prohack in their golden journey to that perfect symbol of unutterable wealth—the £30,000 yacht. I confess that I, like Mr. Bennett, would prefer to put the Treasury behind me, and acquiring a quarter of a million sterling would like to know what it feels like to have a Turkish bath because you don't need one, and to be able to order ties by the furlong and shirts by the square acre. But alas! my subject is Public Servants in Fiction, not in Fairyland. I must therefore abandon Mr. Prohack to enjoy the astonishments of wealth and its expenditure with a mind elaborately equipped with the mechanism for such surprise by twenty years spent in the Treasury, and return to Mr. Edward Shanks and *The Old Indispensables*. Mr. Shanks alone of those who have reduced Civil Servants to fiction has been interested at first hand in the effect upon actual persons of conditions (even if abnormal conditions) in a Government office. Mr. Shanks takes nothing for granted. He does not assume that a bureaucrat is a traditional figure reacting to traditional impulses. He does not regard the Civil Service as a curse or a blessing. He neither admires nor despises public administration. He is just avidly interested in, to him, a completely new world. Fate presented this unusually sensitive (and expressive) mind with a perfect godsend in the form of a complete and entirely new little world, living at fever heat under the burning glass of war. He just jumps into it like a schoolboy with a bright half-crown in his pocket into a tuck-shop. "Golly!" he says.

And the result is that not only do his public servants live, but he has given a perfectly consistent and indeed faithful picture of the Civil Servant during the war as seen through the eyes of an intelligent, able, forbearing and altogether likeable staff clerk. He does what Trollope was too little interested and Dickens too uninformed to do. He considers what happens in the Civil Service seriously as something happening in the mind of his Civil Servants, and though he indulges more than once in touches of farce, yet it is perfectly and (indeed to a Civil Servant) painfully probable farce. His hero is Mr. Evans, that inimitable roarer down telephones, who with his friend Mr. Roker—also a staff clerk—remains

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in the mind with the little happy glow with which one remembers a rather jolly friend or a rather jolly moment. Mr. Evans in a world where everybody is generally wrong and rather proud of it, is almost invariably right, and takes it for granted. He is conscientious, wide-awake, genial, and kindly. It is true that he has rather less conscience than he should have about the disposal of files, and is perhaps a little too interested in baked jam roll. But files, baked jam roll, and a tendency to correct a draft containing "communication" by inserting "letter" and one containing "letter" by inserting "communication" and all, he is the salt of the earth, whether Mr. Shanks meant him to be or not. And just as the Civil Service is shown as a part of Mr. Evans, so it is shown as a part of all the official hierarchy, Mr. Pyeblew, and Mr. Harper, the eagerly aspiring upper division juniors, Mr. Barnet, the assistant director, who was probably born an assistant director and will certainly die one, and the smooth easy intriguing director whose Christian name was obviously designed by Providence to support a title. All of them, not forgetting their secretaries and the Minister's secretaries, live by virtue of their reactions on their work, so that when you think of any of them you see their environment with them.

The actual story is not of first-rate importance. It is enough to say that it concerns the struggles of a contracting department during the war to keep its end up against the assaults of all other departments, against the public, against the inevitable outside committee of inspection, and against itself. Mr. Evans in due course reaps his reward in a £600 post, Mr. Pyeblew succeeds in christening himself controller of tombstones, Mr. Harper declines to the charge of the registry of the tramways office, Mr. Barnet missed the C.B., so obviously his due, owing to the fact that when his permanent secretary was putting his name forward for that merited decoration he had dictated "I therefore put his name forward for the C.B. He—" and then his mind wandered. The typist dropped the aspirate, and Mr. Barnet found himself a Companion of the Order of the British Empire. Finally, Sir William Blood defeated his inspection committee. But all this matters very little. What does matter is that one book without malice or praise has honestly and imaginatively set down one glimpse of the public service as it was.

After this long and discouraging recital I end where I begun. I quoted Milton's line at the beginning of my paper by way of a quip. At the end, remembering what I know of the most devoted, the least appreciated, and the most unresentful body of men in the world, and comparing this with what is written and believed of them, I can only in all earnestness offer them in a very different spirit and as a very small tribute of admiration Milton's line again

"They also serve who only stand and wait."

They do serve, and it is enough.

## The Dominions at the Peace Conference

BY CLEMENT JONES, C.B.

[*Being a Lecture delivered under the auspices of the Institute of Public Administration and the London School of Economics and Political Science.*]

SELDOM, if ever, have Imperial problems received a greater measure of attention than they are receiving to-day. Not only in the "Sanctum Sanctorum" at 10 Downing Street, where the Prime Ministers of all the great self-governing Dominions have been gathered together—not only in Whitehall Gardens, where statesmen and experts have been holding the Economic Conference, but in the clubs and restaurants, in factories and business offices, in towns and villages, in private houses and at public meetings, great questions affecting the relations between the Dominions and the Mother Country are under daily and hourly discussion. The pressure of high prices, bad trade, and unemployment has been more effective than the speeches of politicians in forcing people to "think imperially." On the tops of buses, and in the bottom of men's minds, there is going on a steady deliberation about Imperial affairs. One man, returning from a vain search for work in England may be contemplating emigration to South Africa. Another, sitting in silence beside him, may be thinking what a long time it takes to hear from his daughter in Australia, and how much more quickly her letters would come by air than by sea. A third man may be wondering whether he could sell in Canada a shipment of leather for which he finds no market in Leicester or Northampton.

Each of these men is contributing to the deliberations of these problems of Imperial migration, Imperial transport, and trade within the Empire as surely as the members of the Imperial Conference themselves.

What are the headings of these Imperial questions? Their name is legion. There are all the questions connected with the two words "Migration and Markets"—such as Imperial currency, preferential tariffs, transport facilities, shipping subsidies, and commercial intelligence systems. Then there are problems of Imperial education and Imperial defence. It is not, however, with these matters that I propose to deal now.

This lecture will be confined to the problem of Dominion Status and, more particularly, to an account of the Dominion Status as it developed in London during the Imperial War Cabinets and in Paris during the Peace Conference, for it was there and then that the chief advance was made. No attempt will be made to wander into the wider fields of

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speculation about the future constitutional development of the Dominions. I shall leave it to others to argue, for instance, whether the office of High Commissioner should be exalted ; whether there should be resident in London for a term of years a Cabinet Minister from each of the Dominions ; whether there should be some compromise between the offices of High Commissioner and Cabinet Minister ; or, alternatively, whether the existing arrangements should continue. It has always seemed to me that this question of ministerial representation is primarily one for the Dominions themselves to decide.

Let us return to Paris. The year is 1919 ; the month is January ; the wind is in the north-east. Outside the Hotel Majestic the snow is being driven in gusts along the Avenue Kléber. Inside, however, in the dining-room all is warm and brilliantly lighted as we take our places and look round at the familiar faces at the familiar tables. We who are interested in Imperial affairs look first to see whether the Dominion tables are occupied. Yes, there they are. The South African Delegation on one side of the room—the Canadian on the other. The Australian contingent at the far end, and, at a table near them, we see Mr. Massey and Sir Joseph Ward, no doubt discussing New Zealand politics. In a few minutes we shall see the Indian Delegation entering the room in single file, headed by the Maharajah of Bikanir.

So familiar were these sights, so used were we to the fact that there were Dominion plenipotentiaries in Paris as well as British, and that in fact the Dominion representatives were more numerous than the British, so accustomed were we to regard both Dominion and British delegates as one large family party, for purposes of both work and play, that it probably never occurred to any delegate to ask how it came about that the Dominion Ministers were in Paris. Had the question been asked, a well informed person might have answered, " Well, the Dominion Prime Ministers attended the Imperial War Cabinets, and therefore they are attending the Peace Conference." But I think it is fair to say that the main body of the members of the British Delegation in Paris regarded the presence of the Dominion representatives as a matter of course, without stopping to ask how or why they came to be there.

It will, therefore, be the aim of this paper first to show how the Dominions and India came to be represented at the Peace Conference, and then—having got them to Paris, so to speak—to give an account, based upon contemporary documents and the testimony of actual observers, of the part played there by those representatives.

In this connection no authoritative record of the work of the Dominions at the Peace Conference has yet been published. Lord Birkenhead called attention to this fact in an address which he delivered to the American Bar Association in August last on the subject of "The Development of the British Constitution in the last Fifty Years."

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"Out of the crucible of war," said Lord Birkenhead, "the British Empire has emerged on the whole as the most amazing phenomenon in history ; and, consistently with the whole development of British constitutional precedent, nothing has been put in writing. All the Premiers of all the Dominions assisted in the deliberations from which the Treaty of Versailles emerged. A new Cabinet was formed. It was the Cabinet of the British Empire. It was proposed by someone that the constitution of this new Cabinet, a Cabinet not unlikely to play a decisive part in the world's history for centuries, should be reduced to writing.

"Mr. Hughes, the Prime Minister of Australia, with equal flair and force disputed this view and carried his point. And so to-day it happens that the new Constitution of the British Empire is attested by no record in any constitutional document."

Lord Birkenhead in the same address went on to say that there will never again be a formidable orientation of British policy which has not obtained the assent of the Dominions.

There must be many people who regret that Mr. Hughes adopted the attitude which Lord Birkenhead has described. There must be many who would like to know exactly what functions were performed by the Dominion statesmen working together in the British Empire Delegation at the Paris Peace Conference. This paper can lay no claim to be a constitutional document, but at least it contains, in brief outline, a first-hand account of the composition and labours of the Empire Delegation, of which body it was my privilege to be Secretary.

First, then, let us trace the course of events that led up to this Dominion representation. The roots of the British Empire Delegation that took part in the Paris Congress in 1919 were of no great depth or antiquity. For the purposes of this record it will be enough to go no further back than the Colonial Conference of 1902. Conferences of Overseas statesmen with members of the British Government were no innovation in 1919, but a study of the "Resolutions and Results of the Colonial Conference of 1902" shows what immense strides had been made during the seventeen intervening years in the development of an Imperial body with really executive powers.

In 1902 the Colonies, as they were then called, were asking to be heard in advance before they were committed by the British Government to treaties with foreign powers, and were being told in reply that on such subjects as, for instance, conventions in regard to the property of deceased persons, His Majesty's Government would be glad to listen and act as far as they could ; in 1919 the representatives of the Dominions and India took a hand themselves in making and signing the Treaty of Versailles. That is the measure of advance during those seventeen years.

At the Conference of 1902 a resolution was passed that it would be

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to the advantage of the Empire if Conferences were held at intervals not exceeding four years. Five years, however, elapsed before the next Conference was held.

The Colonial Conference of 1907 was opened by the then Prime Minister of the United Kingdom—Sir Henry Campbell-Bannerman—who played a great part in promoting the good feeling of that Conference. In connection with that Conference it may be of interest to recall a story that General Botha once told me.

He had come over to London in order to attend the Conference of 1907. It was the first time that he had been to London since the South African War, and there was naturally some discomfort for him being in such a position in England so soon after being her enemy in the field. His worst ordeal, he said, was a banquet at the Guildhall, at which all the Dominion Premiers were to speak. General Botha said: "I felt scared to see how this time I was really surrounded by the English. I looked round and could see no face that I knew. Then, just before I was to speak, someone came round behind me and put his hand on my shoulder and said: 'I will stand by you and back you up.' It was Campbell-Bannerman."

The first Imperial Conference, over which Mr. Asquith presided, was held in May and June, 1911. There were present the Prime Ministers of all the Dominions, namely, Sir Wilfrid Laurier of Canada, Mr. Fisher of Australia, Sir Joseph Ward of New Zealand, General Botha of the Union of South Africa, and Sir Edward Morris of Newfoundland. This Conference of 1911 was the first Conference at which the Union of South Africa as a whole was represented by one individual. General Botha referred to the fact in his speech at the opening meeting. "Since we assembled last," he said, "a most important event has taken place in the history of the British Empire—the Union of the South African colonies. On the last occasion South Africa was here represented by three governments, while one colony was not represented at all. To-day my colleagues and I have the honour to be present on behalf of the whole Union—the youngest nation in the row of nations under the British flag."

An important link in the chain that extends from the Colonial Conference of 1902 to the British Empire Delegation of 1919, and connects the two, was forged when it was resolved to invite representatives of the Dominions to attend meetings of the Committee of Imperial Defence. It was particularly important because it was the machinery of the Committee of Imperial Defence that was afterwards adjusted to meet the needs first of making war and later of making peace.

Under different names, for different purposes—the Committee of Imperial Defence, the War Council, the Dardanelles Committee, the War Committee, the War Cabinet, the Imperial War Cabinet, the British

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Empire Delegation—the machinery was in the main on the same lines, and to a great extent the *personnel* engaged in the work of running the engine was the same, whether at 2 Whitehall Gardens or at the Villa Majestic in Paris.

Dominion representatives had attended a meeting of the Committee of Imperial Defence in August, 1909, but it was not until May, 1911, at the time of the Imperial Conference, that there was anything like a "full-dress" gathering of Dominion Ministers. In 1911 three of these meetings were held, and were attended by the Prime Ministers of all the Dominions. At the first meeting Sir Edward Grey (as he then was) made a comprehensive statement in regard to the foreign policy of the British Empire, and reviewed the foreign situation in all parts of the world. At the very beginning of his speech he laid particular stress on the importance of the Dominions being consulted on matters of foreign policy, which was a new step in the constitutional development of the British Empire. At the second of these meetings Mr. McKenna, who was then First Lord of the Admiralty, made a statement in regard to the co-operation between naval forces of the United Kingdom and the Dominions, while at the third meeting Lord Haldane, Secretary of State for War, dealt with the question of the co-operation of the military forces of the Empire.

The next series of meetings of the Committee of Imperial Defence that were attended by Dominion representatives were held in the following year, 1912, during the months of July and August, while a number of Canadian Ministers, including Sir Robert Borden, the new Prime Minister, who had succeeded Sir Wilfrid Laurier, were on a visit to London. It is interesting to note that of three Canadian Ministers two of them, namely, Sir R. Borden, and Mr. Doherty, were, seven years later, to take part as plenipotentiaries in the Peace negotiations at the Paris Conference. As in 1911, so in 1912, statements in regard to foreign, naval, and military affairs were made by the Foreign Secretary, the First Lord, and the Secretary of State for Foreign Affairs.

Thus, between 1902 and 1912 changes and progress had already been made. The words "Colonies" and "Colonial" had been dropped; the word "Dominion" had to do double duty as noun and adjective; the Conference had become "Imperial." A noticeable difference, however, between the Conference of 1911 and the British Empire Delegation of 1919 lay in the development of the representation of India. It was in 1917 that the first meetings of the Imperial War Cabinet were held at which India was represented as well as the Dominions, and therefore in studying the genealogy of the British Empire Delegation we must not overlook the composition of the Imperial War Cabinets.

The inauguration of the Imperial War Cabinet was one of the first acts of the new Government which came into power in December, 1916.

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On 19th December in his first speech in the House of Commons as Prime Minister, Mr. Lloyd George said—

"Now I come to the question of the Dominions. Ministers have repeatedly acknowledged the splendid assistance which the Dominions have given of their own free will to the old country in its championship of the cause of humanity. I introduce the subject now because I want to say that we feel the time has come when the Dominions ought to be more formally consulted as to the progress of the war, as to the steps that ought to be taken to secure victory, and as to the best method of garnering in those fruits."

Forthwith, a telegram was sent by the Government inviting the Dominion Prime Ministers not to an ordinary Imperial Conference but to a Special War Conference of the Empire in the following terms—

"They therefore invite your Prime Minister to attend a series of special and continuous meetings of the War Cabinet in order to consider urgent questions affecting the prosecution of the war, the possible conditions on which, in agreement with our allies, we could assent to its termination, and the problems which will then immediately arise."

The words employed in this telegram make it clear that here was another step forward in the constitutional development of the Empire. The Dominions were invited to discuss peace terms. Here, then, was the origin of the British Empire Delegation which was to participate in the Paris Peace Conference. It was also felt by the new Government in December, 1916, in view of the enthusiasm which had shown itself in India and of the great services which Indian troops had rendered, that it was right that India should be represented at the meetings of the Imperial War Cabinet. A telegram was therefore sent to the Viceroy asking him to send representatives to assist the Secretary of State for India at the Conference, thus giving India, for the first time, representation in the councils of the Empire.

Between 20th March and 2nd May the Imperial War Cabinet held fourteen meetings. Its work was reviewed by Sir Robert Borden in a speech delivered in London in which he said—

"With the constitution of the Imperial War Cabinet a new era has dawned and a new page of history has been written. It is not for me to prophesy as to the future significance of these pregnant events; but those who have given thought and energy to every effort for full constitutional development of the overseas nations may be pardoned for believing that they may discern therein the birth of a new and greater Imperial Commonwealth."

So much for the Imperial Cabinet of 1917. The spring of 1918, which saw the most critical phase of the military operations in the Western theatre of war, saw also the arrival in London of representatives of the Dominions and India in order to attend the Second Session of the Imperial

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War Cabinet. In form the composition of this Cabinet was similar to that of the previous year, though there were a few changes in the personnel.

During this second session an important change was made in the channels of communication between the Dominions and the United Kingdom. It was decided that the Dominion Prime Ministers, instead of communicating with Downing Street, as previously, through the Governors-General and the Colonial Office, should, as members of the Imperial War Cabinet, have the right of direct communication with the Prime Minister on questions of Cabinet importance.

Towards the end of the summer of 1918 this session of the Imperial War Cabinet came to an end, and most of the representatives of the Dominions returned to their homes across the submarine-infested seas. In the autumn the rapid collapse of the Central Powers made it obvious that the whole question of the discussion of peace terms must be faced at once. As soon as this was realized the Dominion Prime Ministers were warned to be in readiness to come over in order to take part in the discussion between the allies as to the peace settlement itself.

Between Armistice Day and the end of the year the Dominion representatives began to arrive, and meetings of the Imperial War Cabinet were resumed in Downing Street. At these meetings the question of the representation of the Dominions and India at the forthcoming Peace Conference was first raised—a question of fundamental importance in the constitutional development of the British Empire.

Thus, after the Armistice the stage was set for the great Peace negotiations; the principal actors arrived from overseas and the question may perhaps be asked, "Why, then, did not the play proceed at once? Why was there such a delay? Why, when time was priceless, were so many days and weeks wasted between 11th November and the following 11th January when the British Delegation set off for Paris?" Memories are short, and only recently one of the British plenipotentiaries, who signed the Treaty of Versailles, asked me if I could remember why there was so long a delay between the Armistice and the Peace Conference.

The answer is that during that period two events occurred which interfered to some extent with plans and meetings. One was the General Election; the other was President Wilson's visit to London. At the very end of December, when the excitement caused by these events had partly subsided, the Imperial Cabinet again assembled and addressed themselves to the various problems that confronted the peace-makers.

On 11th January, 1919, just two months after the Armistice, the British Empire Delegation moved to Paris, and on the following day the opening scene of the great Peace Congress took place. The very first question to be examined was that of representation and the number of plenipotentiaries.

It was an easy affair for the allies to decide that the five great allied

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powers should have five plenipotentiaries each, but the question of the representation of the Dominions was a much more difficult matter to settle. The status of the Dominions was not well understood by foreign powers, and it was difficult for them to appreciate the British argument that each of the Dominions ought to have ample and separate representation, like Belgium and Portugal. Foreign minds naturally argued that Great Britain had full representation as a great power, and consequently the Dominions would be supported by five representatives in the most powerful section of the Conference. Foreigners, naturally enough, showed hesitation in accepting the idea that the British Government should have, in addition to their own five plenipotentiaries, two representatives of each of the Dominions.

The British and Dominion delegates, however, continued to urge the importance of the principle of separate representation of the Dominions and their claims were pressed by the British Prime Minister in the Council of Ten, which consisted of the heads of the five great powers and their Foreign Ministers.

Finally, it was decided by the Council of Ten that the British Dominions and India should have the right to be represented by the following number of plenipotentiaries—

Canada . . . . .	. . . . .	2
Australia . . . . .	. . . . .	2
South Africa . . . . .	. . . . .	2
New Zealand . . . . .	. . . . .	1
India, including the Native States of India . . . . .	. . . . .	2
		—
Total . . . . .	. . . . .	9

For Newfoundland it was decided that, though it would not be given separate representation, a representative from that country could be included in the British Delegation.

So it came about that the full Conference in Plenary Session, which consisted of the plenipotentiaries of all the powers, great and small, was attended by no fewer than fourteen representatives of the British Empire ; of this number Great Britain had five seats, the Dominions seven, and India two. And when on the 28th of June the final scene took place in the Gallerie des Glaces at Versailles, fourteen plenipotentiaries representing the British Empire put their names to the Treaty of Peace with Germany.

The struggle for separate representation for the Dominions and India was short, but it was decisive. On 31st December, 1918, under the proposal of a foreign power that did not properly understand the peculiar status of the Dominions, the British Empire was to be allotted a total of five plenipotentiaries. On the 13th of January, a fortnight later, the number was fixed at fourteen.

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The delight of the Dominions at the result thus achieved is recorded in the newspapers of the day. We read that the Dominion representatives were warm in their appreciation of the advocacy of their claims by Mr. Lloyd George; they saw in the arrangement the creation of a new precedent in Imperial affairs which was bound to lead on to further developments; the Dominions had, as was reported in one paper, now received recognition.

In commenting on this new recognition of national status, *The Times* declared that the Dominions had in fact something like a double weight, for they shared the voice of the Empire as a whole, besides speaking on their own account. "No wonder that the technical intricacies of their position puzzle foreign observers." *The New York Tribune* hailed the development of Dominion status as "one of the most striking political facts in modern times."

It may perhaps seem that I have laid too much emphasis upon the question of separate representation for the Dominions. I have, however, done so intentionally, because separate representation was one of the most important steps in the steady and rapid progress made in the development of Dominion status.

We have previously noticed other steps in this constitutional development of the British Empire—the Colonial Conference of 1902; the Imperial Conference of 1911; the attendance of Dominion Ministers at meetings of the Committee of Imperial Defence in 1911 and 1912; the Imperial War Cabinets in 1917 and 1918; and now, perhaps the longest step of all, the recognition of separate representation.

Having now seen how the Dominion Ministers came to be in Paris and having followed their appointment as plenipotentiaries, the time has come to see what their duties were and what part they played in the peace negotiations. The working of the British Empire Delegation in Paris, of which the Dominion Ministers were members, was organized on lines similar to those of the Imperial War Cabinet in London. Under instructions from the Prime Minister, the principal duties of the British Empire Delegation secretariat were as follows—

- (1) To prepare the agenda papers; to arrange for the attendance of members of the Delegation and other persons concerned; and to procure and circulate the documents required for discussion.
- (2) To record the proceedings of the British Empire Delegation.
- (3) To transmit the decisions of the British Empire Delegation to those departments, sections, and persons concerned in giving effect to them or otherwise interested.
- (4) To attend to the correspondence connected with the work of the British Empire Delegation.
- (5) To keep the members of the British Empire Delegation informed of the progress of the work of the Peace Conference.

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The office of the British Empire Delegation was in the Villa Majestic, just across the street from the Hotel Majestic, where the British Delegation was mainly housed. The relations of the Dominion and Indian plenipotentiaries to the Secretary of the British Empire Delegation were similar to their relations in London to the Secretary of the Imperial War Cabinet. As has already been shown, fourteen members of the British Empire Delegation were plenipotentiaries with seats in plenary sessions of the main Conference. These members, therefore, had two different sets of meetings to attend, namely, the Plenary Session, to which they were summoned by the British Secretary to the Peace Conference, and also the meetings of the British Empire Delegation, to which they were summoned by the Secretary of that body.

A question, not without importance in its bearing on constitutional development, arose in connection with the chairmanship of the British Empire Delegation, and was settled in the following way. Whenever the Prime Minister of the United Kingdom was present he took the chair. Sometimes, when his presence was required at the Council of Four or elsewhere, he would ask one or other of his colleagues, perhaps Mr. Balfour or Mr. Bonar Law, to open the meeting or preside for the finish of it, as the case might be. Lord Milner also acted as chairman on two occasions, and Mr. Barnes on three, in each case at the invitation of the Prime Minister of the United Kingdom. In April, however, a new contingency arose requiring new treatment. Mr. Lloyd George had been obliged to go to London to make a statement in the House of Commons. He had invited Mr. Balfour to take his place in Paris during his absence. On the same day it was necessary to have a meeting of the British Empire Delegation, and in the ordinary course of events, therefore, the Secretary went to Mr. Balfour to ask him to preside and fix an hour for the meeting. It happened, however, that Mr. Balfour had to take Mr. Lloyd George's place at a meeting of the Council of Four, and therefore another chairman must be found for the Empire Delegation meeting.

Now for some time there had been a growing opinion among the Dominion representatives that it would be fitting if a Dominion Prime Minister were sometimes to preside. It was therefore decided that Sir Robert Borden, the Prime Minister of the senior Dominion, should be invited to take the chair of the Empire Delegation in the absence of Mr. Balfour. This was the first occasion, as far as I know (except for a brief period at the Imperial Conference of 1911), on which a Dominion Prime Minister was ever asked to preside over a meeting of British and Dominion Ministers. But it was not the last. At the next eight meetings of the British Empire Delegation Sir Robert Borden presided, and the newspaper reports of the day show that on two of these occasions he was in the chair, while Mr. Balfour, himself an ex-Prime Minister of the United Kingdom, sat by his side.

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After Sir Robert's departure from Paris in the middle of May, Mr. Lloyd George was present at all the rest of the meetings, and therefore the question of another Dominion chairman did not arise. Although there was no record or minute on the subject it was tacitly understood that in the event of the Prime Ministers of the United Kingdom and Canada being absent, the Prime Minister of the next senior Dominion, namely, Australia, would preside. Briefly, if the Prime Minister of the United Kingdom could not attend, the chairmanship of the British Empire Delegation should be offered to the Prime Ministers of the Dominions in order of seniority—Canada, Australia, New Zealand, South Africa.

If there were constitutional innovations in the membership and chairmanship of the British Empire Delegation in Paris, there were developments too in the secretariat. In London the secretariat of the Imperial War Cabinet was exclusively British. In Paris, however, an important step forward was taken as regards the Imperial character of the secretariat by the inclusion of representatives of the Dominions. The assistant secretaries of the British Empire Delegation were exclusively members of Dominion or Indian delegations. By the courtesy of the Prime Ministers of Canada, Australia, New Zealand, and South Africa, and the Secretary of State for India, certain members of their staffs received authority to form a panel of assistant secretaries to the British Empire Delegation.

Thus, while the Treaty of Peace was in the process of being woven, new patterns were also being made simultaneously in the fabric of the British constitution. Among the new patterns we find what was virtually an Imperial Cabinet sitting in Paris, composed of British and Dominion Ministers as well as representatives of India, presided over on some occasions by the Prime Minister of Canada, served by a secretariat that was predominantly Dominion in composition, and taking a direct part in drawing up the Treaty of Peace with Germany.

In pursuing our study of the work of the Dominions at the Peace Conference it may be well at this point to explore two questions about which there has been a good deal of misunderstanding.

The first question, which has often been asked, is what were the relations between the Dominion Ministers and the British Prime Minister and, through him, the Council of Four? The second question is what part did the Dominion Ministers take in the main work of the Conference which was carried on by the various commissions? The answers to these two questions will show to a very great extent the part played by the Dominions.

Firstly, then, as regards the relations between Dominion Ministers and the British Prime Minister, it has sometimes been assumed that at the Paris Peace Conference Mr. Lloyd George acted throughout on

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his own authority without properly consulting his British or Dominion colleagues. It has even been stated that this lack of consultation was due to the absence of a Cabinet, to which the Prime Minister could turn for advice.

Such an impression of Mr. Lloyd George working without consultation is entirely inaccurate. In the first place he was in close and constant communication with his colleagues. In the second place there *was* a Cabinet in Paris to which he could and did turn. Throughout the first six months of 1919, until the day on which the Treaty with Germany was signed, the Imperial War Cabinet, under its Peace Conference title of British Empire Delegation, was in regular session. Moreover, other British Ministers besides the actual members of the Delegation frequently came over from London to Paris for special consultations.

We have seen in connection with the question of representation and plenipotentiaries how Mr. Lloyd George acted in the Council of Ten as the mouthpiece of the Dominions and India. On that occasion he went clothed with the full authority of the Imperial War Cabinet to the Council of the heads of the great allied powers; from that Council he went to the British Empire Delegation; thence back to the Council; all the time consulting the representatives of the Dominions and India and pressing their views. Similarly, towards the close of the Conference, when the time came for making amendments in the Draft Treaty with Germany, the Prime Minister went from the Council of Four, as it had then become, to the British Empire Delegation; then, after consultation there, he went back to "the Four"; then back again to the Empire Delegation to report progress.

Between these two events, namely, the selection of plenipotentiaries in January and the amendments to the Draft Treaty in June—the alpha and omega of the Peace Conference—there was a whole alphabet of occasions on which Mr. Lloyd George sought and obtained the advice of the British Empire Delegation. When he was unable to attend the meetings the views of the Delegation were promptly forwarded to him through the regular channels of communication that had been provided. In addition there were breakfasts, luncheons, and dinners at the Prime Minister's flat in the Rue Nitot, at which the problems of the Peace Conference were discussed with his colleagues.

Numerous instances could be given of the way in which Mr. Lloyd George acted as a connecting link between the Council of Four and the representatives of the Dominions and India. The question of meeting the Russian representatives at the Island of Prinkipo was a case in point. The problem of Mandates afforded another example of the close relations that existed between the Council and the Delegation by means of the link provided by Mr. Lloyd George's presence at both gatherings. So it went on: Russia; Mandates; Poland; League of Nations; Reparations;

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Labour Convention ; Merchant Shipping ; Turkey ; China ; Punishments. Throughout these discussions the Prime Minister again and again explained to the British Empire Delegation the views of the different members of the Big Four, and, on the other hand, again and again gave the Big Four the views of the British Empire Delegation.

If there were any need of further evidence of the extent and manner of Mr. Lloyd George's constant consultations with his colleagues, such evidence could be supplied in abundance by the secretariat of the Empire Delegation. No one is in a better position than those who worked in the offices of the Delegation at the Villa Majestic to know how frequently and at what short notice—owing to questions cropping up suddenly at the Council of Ten or Four—Mr. Lloyd George consulted the representatives of the Dominions and India. From the point of view of the secretariat it was never "safe" to leave the office. At any moment the telephone bell might ring—or a message come from one of the Prime Minister's secretaries at the Rue Nitot—or a note from the Quai d'Orsay—or Mr. Philip Kerr might look in—to say that such and such a subject was being discussed by the Big Four, and that the Prime Minister would like a meeting of the British Empire Delegation called in two hours' time, in order that he might obtain the views of his colleagues.

We pass now, after examining the link between the Empire Delegation and the Council of Four, to consider the question of the relations between the Empire Delegation and the Inter-allied Commissions. The main problems with which the Peace Conference was confronted were examined in the first instance by Inter-allied Commissions, who drew up reports after completing their examinations. The reports were then considered and the questions decided by the Council of Four. These reports and decisions were then adopted in Plenary Session.

From the very beginning of the Peace Congress it was evident that the Plenary Conference was too large a body to deal effectively with the vast mass of questions that had to be decided. The heads of the great powers—whether they be called the Supreme War Council, as they had been at Versailles, or the "Council of Ten" as they were until the end of March, or "the Four" after that, or "the Three" during Signor Orlando's absence—had usually to decide these questions themselves. During the first six months of 1919 up to and including the signing of the Treaty of Versailles there were eleven Plenary Sessions, of which three were concerned with the Austrian Treaty. Representatives of the Dominions attended all these plenary meetings, and India was represented at all except two. Plenary Sessions were in some respects like popular concerts. There was an orchestra composed of the plenipotentiaries, who performed ; there was a leader of the orchestra, M. Clemenceau ; there was an audience ; the Press were well to the fore. Admission was by tickets, the demand for which varied enormously

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according to the programme. It was fashionable ; it was the correct thing to have been at least once.

It was at the second Plenary Session held in January that the Inter-allied Commissions were appointed. The first Commission to be set up was that which dealt with the subject of the League of Nations. Other Commissions were appointed, and all of them soon settled down to work. In some accounts of the Peace Conference the impression has been left that the British Dominions were insufficiently informed in regard to the framing of the Peace Treaty and were inadequately represented on the various Inter-allied Commissions.

Nothing could be further from the truth and, since the matter is one of considerable importance, perhaps it may be as well to state the exact amount of Dominion representation on the Commissions. In an official paper issued to the Conference by the French Government a list was given of the various Commissions with the names of members, secretariat, and places of meeting. This list shows that the Dominions were represented on these Commissions in the following way—

Commission on League of Nations . . . . .	General Smuts (S. Africa)
On Responsibility of the Authors of the War . . . . .	Mr. Massey (New Zealand)
On Reparations . . . . .	Mr. Hughes (Australia)
On International Ports and Waterways . . . . .	Mr. Sifton (Canada)
On Economic Questions . . . . .	Sir George Foster (Canada)
On Pre-War Contracts . . . . .	Mr. Doherty (Canada)
On Czecho-Slovakia . . . . .	Sir Joseph Cook (Australia)
On Greece . . . . .	Sir Robert Borden (Canada)

In addition the secretaries of three of these Commissions were members of Dominion Delegations.

In the face of such a list of names it must take remarkable courage or show remarkable ignorance for a historian to say, as has been said, that the Dominions were inadequately informed about the framing of the Treaty or to imply that they were not fully represented on the Inter-allied Commissions. We have not at our disposal the space in which to examine the work of the various Commissions, nor would any useful purpose be served by following their labours through the masses of technical details with which they were confronted. We ought, however, to understand the main procedure of the Commissions and, in particular, that part of the procedure whereby the reports of each Commission came to be reviewed by the British Empire Delegation.

Briefly then, as we have seen, the Inter-allied Commissions were appointed in the first instance by the main Conference in Plenary Session to consider the various main questions that were referred to them and to report to the Conference. At the time when the Commissions were first set up, M. Clemenceau pointed out that they would provide a means whereby the voices of the smaller powers could be heard. He emphasized

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the importance of this point because several of the smaller powers, notably Belgium and Greece, had protested that their voices would not be heard, and that the five great powers, by having two delegates each on each of the Commissions, had been given too large a share of the numerical strength. M. Clemenceau also pointed out to the smaller powers that their voices would be able to reach the Conference, because they would be present at the Plenary Sessions and be able to speak when the reports of the Commissions were discussed there.

The British Dominions were in a much more favourable position than the smaller powers as regards discussion of the reports of the Commissions. At a meeting of the Empire Delegation held in March it was decided that copies of the reports should be circulated to the members of the Delegation and it would be open to any member, if he thought it necessary, to ask for a special meeting to consider any particular report. In accordance with this decision the reports of the various Commissions were in due course circulated to the members of the Empire Delegation, and these reports were discussed at their meetings. On these occasions, when the report of a Commission was under consideration, it was customary for the member of the Delegation who had served on that particular Commission to pilot the report through the meeting and answer any questions that might be raised by his colleagues. In cases such as the Commission on Aerial Navigation, upon which the British had been represented by English experts and not Dominion Ministers, it was customary to invite the experts to attend the meeting and make the necessary explanations about the report.

Whether the Inter-allied Commissions performed satisfactorily all the functions which they were created to carry out; whether the high hopes to which their appointment gave rise in January were fulfilled in the following June; whether sufficient regard was paid to their reports by the Council of Four; whether the unanimous decisions of a Commission ought invariably to have been accepted by the Council and adopted without alteration—these are, and will remain, as long as the Paris Peace Conference is discussed, matters of debate. What is not open to doubt is that the Dominions received a full measure of representation on those Commissions, and that the British Empire Delegation were, as a result of their examination of the reports, instrumental in effecting alterations in several clauses in the Treaty. To suggest that the Dominions were kept in the dark either as to the proceedings of the Commissions or as to the negotiations that led up to the final decisions, is to suggest what can be proved by contemporary records to be inaccurate.

If further evidence were wanted in regard to the participation of the Dominions in the peace negotiations, it can be found in a valuable paper written by Mr. L. C. Christie, himself a member of the British Empire Delegation secretariat and an eye-witness of the peace-making. The

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paper was written after his return from Paris to Ottawa where he was at that time Legal Adviser to the Department of External Affairs.

"The Dominions," he writes, "were prominently represented on the various Commissions of the Peace Conference, and at times the Prime Ministers attended the Council of Ten; while in addition the Prime Minister of Canada on a number of occasions took part in the work of the Council of Four and the Council of Five. More than that, every Commission report, every aspect, every section of the conditions of peace was first considered in meetings of the British Empire Delegation (whose personnel was the same as that of the Imperial War Cabinet) before the assent of the British Empire was given. The Dominion participation in the making of peace has been substantial indeed."

The occasions, referred to above, on which the Dominion Prime Ministers attended the Council of Ten, and conferred there with President Wilson, Signor Orlando, and Baron Makino, were mainly concerned with the question of Mandates. It was at a meeting of the Council of Ten held at the Quai d'Orsay in January that the question of Mandates was first discussed, and the decision taken that the captured German colonies should not be restored. On that occasion Sir Robert Borden, Mr. Hughes, Mr. Massey, and General Smuts, in the absence of General Botha, attended the Council and were welcomed at the start of the discussion by M. Clemenceau. It will be remembered that there was a strong opinion amongst the Allies that, whatever else might happen, there must be no return to Germany of any of her captured colonies. As far as the British Empire was concerned most of the captured German colonies had been taken by Dominion troops. This even applied to German East Africa, where a considerable contingent of English troops had also been employed. It was, therefore, only right and proper that the Dominion Prime Ministers should be called into consultation on the subject by the heads of the five great powers in the Council of Ten. The future of the German colonies which had been captured by Australia, New Zealand, and South Africa was naturally a problem of vital importance to the Ministers representing those Dominions.

After the principle had been adopted that the colonies should not be restored to Germany, the next question was to decide how those territories should be treated. There were two alternatives. There was the system of Mandates on the one hand, and Annexation on the other. As regards Mandates, it was generally agreed that these territories could not be directly administered internationally. Therefore, it was suggested that some one nation should undertake the trusteeship on behalf of the League of Nations as mandatory.

In this question of Mandates or Annexation, Canada was not directly concerned, because she had no territorial claims to advance. With Australia, New Zealand, and South Africa, however, the case was different.

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Each of those Dominions, in the interests of security, in the interests of the Dominions and of the territories themselves, were at first in favour of direct control, and were opposed to the idea of a mandatory system. Further meetings on the same subject took place in the Council of Ten and in the British Empire Delegation. There was strong opposition to the proposal to hand over any of the territories to any of the Dominions. One of the catch-phrases of the day was "No Annexation." It was a popular cry, and the United States Delegation, in particular, were opposed to annexations of any kind. It was said that claims for annexation represented the spirit of the Congress of Vienna, which was opposed to the spirit upon which the hope for a new world was based. Those who laboured in the Congress of Paris rightly or wrongly imagined themselves far in advance of their predecessors in Vienna. So for some days the controversy of Annexations *v.* Mandates continued. But, as had happened before and has happened since, just when deadlock seemed complete the spirit of compromise and common-sense came to the rescue. Largely owing to the efforts of a committee composed of Dominion Prime Ministers—Mr. Hughes, General Botha, and Mr. Massey—a way out of the deadlock was found in the form of a draft resolution which made the mandatory system acceptable to all concerned.

The terms of the resolution are now well known. The future of the territories taken from the German and Turkish empires was to be dealt with on the principle of trusteeship vested in the League of Nations.

The territories fell into three categories—

(a) Those peoples who were not sufficiently organized to govern themselves without assistance. For instance, the Arabs, who had had their own civilization from earliest times.

(b) Those people who were wholly uncivilized. These would include the inhabitants of tropical Africa. For instance, Togoland, the Cameroons, and German East Africa.

(c) Those countries which owing to geographical or other reasons could not be dealt with as class (b). In their cases the laws and institutions of the community entrusted with the government would have to be applied. Such countries would include German South-west Africa and Samoa.

As far as the Dominions were concerned the most important clause in the resolutions was that which deals with the third of the three categories. It reads—

"There are territories such as South-west Africa and certain of the South Pacific Islands, which, owing to the sparseness of their population, or their small size, or their remoteness from the centres of civilization, or their geographical contiguity to the Mandatory State, and other circumstances, can be best administered under the laws of the Mandatory State as integral parts thereof, subject to the

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safeguards above mentioned in the interests of the indigenous population."

Thus in the spirit of compromise the system of Mandates was settled.

At a later stage in the Peace Conference a meeting of Dominion Ministers and officials from the Colonial Office discussed the further question of the distribution of the Mandates. A schedule of Mandatories was drawn up and shortly afterwards this schedule was submitted to the Council of Four. The allocation of Mandates decided upon by the Council was virtually the same as that agreed to by the Dominion representatives.

As far as the Dominions were concerned the Mandates were distributed in the following way—

*German South-west Africa* to the Union of South Africa.

*German Samoa Islands* to New Zealand.

*Nauru* to the British Empire.

*Other German Pacific Possessions South of the Equator* to Australia.

We have reviewed, in brief outline, the various activities of the Dominion Ministers at the Peace Conference. We have followed their comings and goings in the Plenary Sessions at the Quai d'Orsay ; in the British Empire Delegation at the Villa Majestic ; in the Council of Ten ; in the various Inter-allied Commissions ; in Mr. Lloyd George's flat ; and in the dining-room of the Hotel Majestic.

And now, perhaps, a student of the subject may be inclined to ask, "Was the influence of Dominion Ministers used towards moderation or in the opposite direction ?" In my opinion, based upon daily work with those Ministers during the Conference and upon subsequent reading of contemporary records, the correct answer is that, taking the Treaty as a whole and taking the Empire Delegation as a whole, the influence of the Dominions at the Peace Conference was exerted in favour of moderation. Again and again the Delegation urged, as the minutes of meetings show, that a larger measure of moderation should be inserted into the terms of the Treaty, and that anything in the nature of pin-pricks should be removed.

When the full history of the deliberations of the Dominion statesmen in Paris is made known—and I for one do not see why it should not be published to-morrow—it will be found that there was no note of vengeance in their discussions. The members of the Delegation represented a great victorious power with a formidable enemy at their mercy after long and fierce fighting. Yet when the time came for reviewing the terms of the Treaty the attitude of the Delegation took the form of an earnest plea for justice to the fallen enemy.

That the advice of the Dominion statesmen was not adopted as often as they would have wished was not the fault of the Dominions. That the terms of the Treaty did not show a greater degree of moderation

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may be accounted for by the fact that the Treaty was the result of a compromise between a number of powers. The Treaty of Versailles was not the Treaty of the British Empire Delegation. That is a fact which must always be remembered. The point is made very clearly in a speech delivered by Mr. Churchill at Sunderland in January, 1920—

“It is frequently forgotten,” he said, “by those who criticize the Treaty that the action of the British Government at the Peace Conference is the action of only one Government among five great and many small powers, and that we can only bear a fraction of the responsibility for what is done or what is left undone. I am glad to reflect that on several occasions the influence of the Prime Minister, supported by the whole British Empire Delegation, with all the Prime Ministers of our self-governing Dominions, has been powerfully exerted on the side of moderation.”

In making that statement Mr. Churchill may perhaps have had in his mind an incident which occurred at a meeting of the British Empire Delegation on 1st June, 1919, when the observations of the German Delegation on the draft Treaty were under discussion. The story has been told again and again and there can, therefore, be no indiscretion in my retelling it now. To the contrary it can, I think, do nothing but good because it concerns that great peace-maker—General Botha.

At this particular meeting on the 1st June, General Botha by a mere coincidence was sitting next Lord Milner. The seats were not arranged—it just happened that Lord Milner had been the last to come into the room, and had taken the only remaining vacant chair, which was between Mr. Balfour and General Botha. At the close of the meeting the General made his contribution to the discussion, and at the end of his remarks he added—

“I understand the position and feelings of the Germans, because I also have had to make a peace.” Then he paused, and turned to Lord Milner. “My friend here,” he said, laying his hand on Lord Milner’s shoulder, “will remember that exactly seventeen years ago peace was signed in South Africa. On that occasion it was moderation that saved South Africa for the British Empire. I hope that on this occasion it will be moderation which will save the world.”

Every British student of history, every one who belongs to the British Empire, must be proud to reflect that in their first experience as peacemakers, in their first trial as plenipotentiaries, in their baptism of diplomacy, the British Dominions, as a body, stood for moderation and justice.

It is not within the province of this lecture to weigh the merits and faults of either the Treaty of Versailles or its makers. This much, however, can be said. Many who have condemned the Treaty as a whole

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have reserved certain portions of it for praise. For instance, advocates of the League of Nations have regarded the embodiment of the Covenant as the most helpful part of the Treaty. Again, workers in the field of international labour problems have declared that the labour clauses form the most useful part of the whole Treaty. In the same way, perhaps, those who are students of the constitutional development of the Empire may fairly claim that for them the most interesting and important page in the Treaty of Versailles is the final page—the page of seals and signatures, because that page contains the signatures of no fewer than fourteen plenipotentiaries representing the British Empire, and at the same time thereby testifies, in the sight of the whole world, to the national status of the Dominions and also to the part they played at the Peace Conference.

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## Announcements

SUMMER CONFERENCE, 1924. The authorities of New College, Oxford, have very kindly offered accommodation for this year's summer conference to be held from the 18th to the 22nd July. Arrangements are being made for a series of papers dealing, as far as possible, with subjects of interest equally to local and central government administration. During their visit to New College members will be charged 12s. 6d. per day for board and lodgings. An effort will be made to secure specially reduced fares from the railway companies in order to reduce the cost of the conference to members as far as possible. Full particulars will be sent to members as soon as the arrangements are completed. Meantime everyone intending to be present should reserve those dates.

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OUR APRIL NUMBER. The April issue of the JOURNAL, in addition to most of the usual features, will contain a series of papers on the problems of financial control in public administration. In addition to reproducing the four papers on this subject, which have been announced in the programme of meetings being held at Spring Gardens, a number of special articles have been arranged.

## Reviews

[It will be the object of the Reviews of Books in the JOURNAL to cover the whole ground of the literature produced in the preceding quarter which may have a bearing upon public administration. By this means, it is hoped, some assistance will be given to the student and some direction to the general reader. A judgment of the value of the books will be attempted, as a portion of the ordinary duty of criticism, but the particular value of the book in its relation to the advance of the science of public administration will be regarded as the paramount criterion.]

### I

"THE STORY OF MY LIFE," by Sir H. H. Johnston, G.C.M.G., K.C.B., F.R.G.S.  
(Chatto & Windus.) 21s. net.

MR. H. H. JOHNSTON, Vice-Consul at Old Calabar, already congenially familiar to appreciators of the human and scientific interests of Africa, acquired in 1887 sudden and, at the moment, ambiguously creditable publicity in Parliament and the Press, as "The Kidnapper of Jaja." The Jaja affair occurred under the authority of the Foreign Office, at that time actively occupied in enlarging and insuring against German exclusion British commercial interests in the exploitation of African economic resources. The Colonial Office, with Mr. Edward Fairfield in charge of African business, was then still sensitive to the rights of natives (Cecil Rhodes' Afrikanderism later corrupted it, and it has only recently begun to show signs of internal recovery). It was later to parallel the Foreign Office's dealings with Jaja by its own equally arbitrary treatment of Premeh, King of Ashanti. But what Fairfield and Mr. Sidney Webb and myself (then resident clerks in the Colonial Office) thought then about the Opobo business is vindicated to-day in the pronouncements of the Covenant of the League of Nations.

Jaja was the chief of Opobo, a district commanding access to the navigable course of the Niger, and his offence was that he conspired with Messrs. Miller of Glasgow to establish a monopoly of the oil trade, whereas the Foreign Office desired to back Mr. Taubmann of the African Association of Liverpool. Jaja was deported to St. Vincent, allowed one wife (of very mediocre attractions—I was privileged to make her acquaintance on behalf of the West India Department)—but supplemented his establishment locally—and died four years later in exile. Mr. Taubmann, assuming a more resplendent eponym, proceeded to consolidate the commercial foundations of British Nigeria. Mr. Alexander Miller died last year worth (notwithstanding the loss of his ally) about £2,000,000, and Mr. H. H. Johnston established his reputation as a smart Consular officer. His own part in the matter, it is agreeable to his friends and admirers to recognize, was straightforward enough. He invited Jaja to come to Accra to have the rights of his

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claims tried by a person to be appointed by the British Government. Jaja put his head in the noose, was tried on charges of breach of a "treaty" made by him with a brother of David Livingstone in 1873, found "guilty" and removed out of the way. Doubtless the Foreign Office, having now been advised by the Law Officers of the Crown that the President of the French Republic is acting in contravention of the Treaty of Versailles are contemplating inviting M. Millerand to be tried by a British Admiral for the purpose of deporting him to St. Helena. The case of Napoleon is, I suppose, the standing precedent.

Sir H. H. Johnston has been, subsequently, himself a great maker of treaties with native chiefs. His observations on that subject are worth quoting.

"One feels at this distance of time" (Jaja probably thought so then) "that to readers of a new generation this treaty-making in Africa must seem a farce. Great European States would meet at conferences to partition Africa, Asia, Papuasia, Melanesia into spheres of influence between themselves; why should we have bothered to negotiate with Negroes, Arabs, Afghans, Siamese, Malayi, or Papuans?—I cannot estimate" (he says—but I suspect with his tongue in his cheek—for he is one of those who really understand well enough) "the importance of the set of native opinion in Asia, though I should have thought it, except in the case of Papua, even more important as a factor than in Africa. But in Central or West Africa, though the natives may not be able to read or write, they had a very clear idea what resulted from making a treaty. They memorized the terms though they could not read. If one proceeded to interfere in the conditions of a tribe without the treaty right to do so there was sure to be a fight. On the other hand the fidelity with which any large native community abode by the conditions of an agreement, even when it meant in the vicissitudes of the time temporary defeat and expulsion from the homeland, touched me to the quick. I am sure we are right, preparatory to detailed and definite rule, to consult with the different native tribes and rulers as to whether they wished us to preside over their affairs in Northern Zambesia and Nyassaland."

Quite so. And it is important for those concerned or interested in British administration to realize that the native African human temperament, wherever distributed, is more clear-headed and sensitive in regard to the spirit of such obligations than is the British commercial or colonizing temperament. Thanks to their earlier impressions of British character, still kept alive by contact with Christian missionaries and administrators of the type of Sir H. H. Johnston, native confidence in the reciprocity of such sensibility has not even yet been entirely destroyed; but repeated betrayals have seriously impaired it, and educated African opinion is in danger of becoming as sceptical in regard

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to it as the Afrikander attitude towards natives has consistently encouraged the native to be.

Johnston was a friend and admirer of Cecil Rhodes and did much to further his policy till Rhodes quarrelled with him because he refused to raid Portuguese territory à la Jameson, but he pitilessly exposes the characteristic debasement of the brand of Colonial policy with which the mirage of Rhodes' imagination succeeded in bemusing British statesmanship and smart society.

"Alcohol," he says, "was the curse in the early nineties of the British South Africa Company's men in South Africa. Their general action always struck me as a drunken sprawl over South Central Africa."

Their secretary in Cape Town, Dr. Rutherford Harris, was very much of this type. He was a good-looking man with a pleasant manner, but according to Rhodes' own statement, in quite early days—a rogue, and at times a curious inebriate. Jameson, when he gave up the medical profession to become Rhodes' right-hand man, drank far too much." No wonder Rhodes' apple cart was upset !

This book, as anyone having any acquaintance with its author's record or personality, or sympathy with his interests, would expect it to be, is full of significant stuff and is of interest and vivacity. It is a compact contribution to the literary materials of a liberal education. Johnston has a most keen faculty of appreciation of human qualities, delights in and is loyal to the friends he has known, of whatever class or race, and has been fortunate in meeting men and women distinguishedly provocative of admiration, whom he duly assists his readers to appreciate, whilst at the same time imperturbably touching off their absurdities. He has an artist's conscience—or unconscionable lack of discretion. To an administrator less specially endowed, but inspired in his youth with much the same dominant interests, the reflection continually presents itself in reading this tale, what an enormous advantage it is to a man who is to be engaged in the contracts between civilized and uncivilized races to have escaped those characteristic influences of British public schools and universities deemed indispensable for our administrative and diplomatic services. The drawing and dissecting of animals in the Zoo in which Johnston was privileged to spend a great part of the Sabbatical year which providentially interrupted his school days—never consistently resumed—not only stimulated in him perception, but exempted him from inhibitions, inattentions, and hypnotic inertias which are grotesquely conspicuous in many of the brilliant and gifted professional administrators and diplomats whose society he has so much enjoyed. His distinction and his achievements have been a triumph of direct impressionability and reactivity, and I have no doubt (in fact I had reason to know) that in his earlier years he was deemed by the Foreign Office distressingly deficient in "form." It is pleasant to be reminded that Lord Salisbury

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detected him to be better worth talking to than his own chief clerk in the African Department who curiously complained "Lord S. has never once asked to see me and wouldn't know me if we met in the street."

SYDNEY OLIVIER.

### II

"THE CIVIL SERVANT IN THE LAW AND IN THE CONSTITUTION," by C. S. Emden, D.F.C., M.A., of the Middle Temple, Barrister-at-Law. (Stevens & Sons, Ltd.) 6s. net.

MR. EMDEN has produced a useful book on a difficult subject. He writes with expert knowledge and we know of no other work covering the same ground. He gives us decisions of the Courts gleaned from many scattered fields and a formidable array of statutes ; like Mr. Weller's knowledge of London both the statutes and the decisions are "extensive and peculiar."

For the Civil Servant the law has two distinct aspects, the one concerned with his rights and duties as against his employer and the other with his liabilities to the public. Mr. Emden's book deals lucidly with both aspects and it leaves confirmed in our belief that the law on these matters is not only obscure but sometimes inconsistent with itself.

There is a reason for everything—not always a bad one—and the reason for this condition of the law goes far back into history, to a time when the people equivalent to modern Civil Servants were really of the household of the Monarch and when it was no mere legal fiction to say that the King himself sat in his Court to administer justice. Later came the momentous curtailment of the royal power involved in the discovery that "the King can do no wrong," interpreted to mean that any servant of the King can be prosecuted without making any charge against the royal master on whose orders he may have acted, but who is *ex-officio* innocent.

More recently the executive functions of the Crown came to be more and more exercised by Ministers responsible to Parliament until the privileges of the Crown have become in effect the powers of the nation as a whole over its individual citizens—analogous to the rights of a limited company against its shareholders—and the royal prerogative which was once the Will of the Sovereign acting through a Minister is now the Will of a Minister acting through the Sovereign.

Side by side with this has come in the last 100 years an immense extension of the sphere of government, greatly altering the relations between the citizen and the State, and its "civil" servants.

These changes, however, have come by degrees without any sudden convulsion and neither Parliament nor the judges have had to face the problem of formally adapting the old law to the new conditions except when individual cases have come into Court. Such cases are comparatively rare and the judges have had a certain latitude in trying to reconcile

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the two vital but discordant principles that in time of emergency the public safety must prevail and that no official can be exempt from the Common Law of England.

Hence arises the legal jungle, for which Mr. Emden provides a chart and compass. In some of the cases the defendant Civil Servant is a mere dummy with no personal interest at stake—a target set up for deciding whether some party had or had not a good claim against what may, for want of a better word, be called “the Government”; in others he may stand at hazard to be received financially or hanged personally by the neck.

For some time past there has been a growing belief that there ought to be a drastic change in the machinery for trying claims against “the Crown,” or “the King,” or “the State,” or “the Government.” Mr. Emden shows how indifferently these words are used even in Acts of Parliament and with what confusing results, but whatever they may mean there is now a strong feeling in most quarters that the present system should be simplified and assimilated to that under which disputes between citizens are tried. For some years a strong committee has been sitting on the subject—so strong perhaps as to find some difficulty in meeting and acting—and if its labours bear fruit it may be that part of Mr. Emden’s first edition will become obsolete because individual Civil Servants may no longer appear so often as nominal defendants to actions really aimed at “the Government,” but in the meantime this work should be consulted by all who seek to bring or defend a claim against a public department no less than by Civil Servants who seek to know their own rights and liabilities or whether, for instance, they can be made to appear as witnesses in an action between other parties or whether his pay or pension can or cannot be intercepted by his creditors. And as soon as he refers to the book he is likely to find something that he would never have expected; if, for instance, he seeks to know how far a Civil Servant’s claim for salary or pension can be enforced in a court of law he will find that in spite of the well-known principle that he cannot enforce a contract for service with the Crown, the Court of Appeal recently held the Postmaster-General legally bound to pay war bonus on the salaries of men who joined the army in response to a certain circular; or if we want to know whether an Inland Revenue officer can be compelled to grant a certain certificate for repayment of probate duty we find that it all depends upon whether his department could or could not have been compelled to grant it by a mandamus or by some other legal process.

But perhaps for Civil Servants the most widely useful part of the book will be that which deals with superannuation and gratuities. Here we come on to firm ground and modern statistics, the element of uncertainty being chiefly in the discretions left by those Acts to the Treasury, and the underlying doubt as to whether “may” ever means

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"must." Sooner or later, however, most Civil Servants, or else their widows, have to take a practical interest in this question, and it is useful to have the full text of the various Acts brought together into one appendix.

Apart, however, from its practical utility in enabling us to ascertain the legal position of the Civil Servant as it is, the book opens up a field for research into the principles which ought to govern the law on these matters, including not only the Civil Servant but all public servants. This is a sphere of activity well suited for the Institute of Public Administration, for its study needs not only a wide and balanced outlook, but also a first hand knowledge of the actual conditions under which public officers work and of the problems with which they have to contend. We hope that here Mr. Emden's seed will fall on good soil and in due course raise a harvest.

A. W. LAWRENCE.

### III

"THE FIXING OF WAGES IN GOVERNMENT EMPLOYMENT," by E. Colston Shepherd, B.A., B.Litt. (Oxon). (Methuen & Co., Ltd.) 7s. 6d. net.

MR. COLSTON SHEPHERD, in reviewing over a long period of years the methods of fixing the remuneration of various sections of the Civil Service, has embarked upon a task which lends itself more to historical survey than to critical analysis.

After pointing out that the various methods of wage fixing are ultimately the result of democratic control, exercised through the House of Commons, he proceeds to describe the case of the industrial employees of the War Department, of men in the Royal Dockyards, of the Civil Service generally, and of the manipulative workers of the Post Office.

As regards the first, he finds that no definite standard was set except that wages have in the past largely depended upon what the workers would accept. These men had an analogue in outside trade, and he traces a gradual approximation to outside trade standards, complicated by the difficulty of maintaining the factories in a condition capable of ready expansion in times of emergency with resultant heavy overhead charges. In spite of difficulties peculiar to the War Department, he sees in the methods of the past indications of a tendency to value the workers first and the work second; and he describes this as a humanitarian movement which failed from a variety of considerations, principally the need for economy and the fact that it was unpopular with employer and employee.

The Admiralty is described as having been in the past autocratic, paternal, conservative, and aloof, clinging to a system which comprised an intermediate grade of skilled labourer in the supposed interests of

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stability and continuity of service. Dockyard men, as individuals, had counterparts in outside trade ; the Royal Dockyards, congeries of innumerable occupations, had no precise counterpart amongst outside constructors. The problem of the skilled labourer is fully examined, and the Admiralty is shown as having tried to secure that the ratio of wages for various types of labour should be determined by the "settled relationships" established in private industry, thus ensuring a general average wage equal to that of the private yard but free from the fluctuations of boom and slump. The Admiralty system of benevolent despotism, though embodying the socially desirable principle of continuity of employment, failed, he says, because of the need for economy, and the reluctance of organized trade unionism to forgo the chances of high gain as seen in private employment.

In the Civil Service—Mr. Shepherd appears to think that the War Department, Admiralty, and Post Office are outside the range of this term—wages have been broadly regulated upon a supply and demand basis, without reference to the views of the workers, though with a good intention, gradually weakening as time went on, of respecting the personality of the employee.

In the Post Office, the manipulative workers have no outside counterpart ; wages were determined upon the principle of supply and demand, with certain subordinate principles peculiar to the department. He admits in this, as in other cases, that there was never a lack of suitably qualified candidates. The pressure of Post Office workers in the early years of the century, which led to the Hobhouse Report, is examined in some detail ; and here again he alleges that the need for economy, coupled with the advantage of a monopolist position, led to a progressive depression of the wage standard—a conclusion which one is bound to add is not borne out by the facts.

From this historical review Mr. Shepherd passes to more recent developments, and he shows the separation by the Government of its functions as sovereign from those of its departments as employer ; describes the inception of Whitley machinery and what he calls the commercialization of Government wages due to enforced war contact with outside trade, the enormous war-time expansion of numbers, and the activity of trade unions. He shows that this separation has taken place, leaving unimpaired the power of Parliament and that control which constitutes the Treasury's right to exist. One is glad to see that this control, exercised in the interests of the taxpayer and properly regarded as the equivalent of the check imposed by considerations of profit and loss in outside industry, has been maintained without the offensive autocracy which characterized that department in the past.

In conclusion, he shows that, broadly speaking, scales of pay in the past have been a fair reflex of the co-ordinate influences of supply and

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demand, with due regard for continuity and for the avoidance of violent outside fluctuations. But instead of concluding—as the Anderson Committee have done—that this principle of paying what is necessary to recruit and maintain an efficient staff (a principle which alone can take account of all the relevant factors of responsibility, cost of living, marriage, social position, etc.), is the only just and practicable principle, he suggests that it is an undesirable alternative to a vague ideal conceived years ago and stifled in infancy by commercialization.

With Mr. Shepherd as *laudator temporis acti* one cannot agree. It is the belief of the present writer that the State as employer has well maintained the traditions of the past, and that all the distinctive features of State service—security, pension, holidays, good accommodation, and reasonable hours—are still in the same degree integral features of the wage policy of the State as employer. Moreover Mr. Shepherd omits reference to the fact that the State as sovereign has through enlightened legislation hastened the acceptance in private industry of many of these amenities, with the result that there has been an approximation of conditions in the Service and in outside industry.

As to methods of fixing remuneration, Mr. Shepherd has rightly called attention to the attitude of the State as employer towards the new methods of Whitley councils and negotiation. But he does not show that the State as sovereign has called into being a nation of educated men and women for whom the old methods would not be appropriate, and that therefore in its dual role the State has acted as a model employer, for the benefit of the worker.

Whilst accusing the Treasury of having misunderstood the new spirit which was striving for expression, of having interpreted "model employer" as "average employer," and of having been content to pay wages "not less favourable" than those obtaining in private employment, he readily admits that no justification could exist for paying better wages than those paid for similar work outside, so it is difficult to see what he would have the Treasury do. In short, one cannot but conclude that the State has done as much as it had the right to do in the matter of wage fixing; it has endeavoured to keep the scales even between its employees and those through whose enterprise its employees were paid.

The book is fully documented and though not free from errors of fact nor from a tendency to give undue prominence to the occasional anomaly and to the borderline case for which no legislation can provide, is a useful contribution to the subject. Mr. Shepherd has gathered together from a variety of sources a large mass of facts, but he has not been altogether successful in so marshalling his facts into an ordered sequence as to enable his conclusions to be accepted without considerable qualifications.

X. X.

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## IV

"THE MENTAL LIMITATIONS OF THE EXPERT," by E. H. Hankin, M.A., Sc.D.  
(Butterworth & Co.) 6s. net.

READERS of Dr. Hankin's work who in their green, unknowing youth were wont to class scientific pursuits generically as "stinks" (even to the paradox of describing a certain Honours School as "Moral Stinks") will no doubt be allured by the title of the present volume. It is only the judicious few who may pause in advance to consider the author's own distinguished "expert" attainments and scent an anticipatory breath of irony that will fail to be quite so delightfully deceived as the rest. The mind that delves deep in a narrow field—the "Scarabee" of Oliver Wendell Holmes or the "Grammarians" of Robert Browning—has never lacked its meed of honour, but has seldom been so finely and yet so fairly analysed as here. The joke of the title remains a good one, and all the better from the fact that it would be going just a little too far to say that there would be no joke if its last two words had been "Business Man." The main point, however, is that we are here presented with a brilliant treatise in psychology which takes its starting point with the group in preference to the individual, thus linking itself with the latest theories of Spengler and other German philosophers on the one hand and with the "Republic" on the other. But notwithstanding these philosophical affinities, the author attains a suggestive originality from the stage-setting of his principal group. The "Expert" is here viewed primarily in his relation to corporate life, and in particular as the adviser in commercial enterprise and in the sphere of administration. It is an essential part of Dr. Hankin's subtlety that this disorientation of the scientist forms his prime pre-supposition. His hero (or villain) is never allowed to breathe the rarified native air of his study or laboratory. It is only under unnatural conditions, when he is constrained to dwell with the Mesech of commercialism, or at best in the tents of the Kedar of officialism, that Dr. Hankin will allow him to exhibit his paces.

The constructive thesis of the work centres around a contrast between the ratiocinative or "discursive" reason and the subconscious or "intuitive" reason, the former being represented as the characteristic mental process of the expert, and the latter as that of the man of affairs. This distinction naturally recalls both Aristotle and Kant, and if Dr. Hankin does not carry it up to the Aristotelian conclusions (that knowledge is teleologically superior to practice and that the highest function of the intuitive reason is to perceive truth immediately "by flashes"), the reason is no doubt to be sought in the delicacy of his social satire. Evidently he thinks that it would savour too much of the direct method to suggest openly that the power to rig markets, engineer "stunts" or embellish hoardings

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may not be the highest form of human activity, or that the incapacity of the expert for these achievements is anything but a "limitation," deplorable if not positively culpable. Irony, however, may be dangerous in proportion to its subtlety, and it is to be hoped that Dr. Hankin's work will not be too widely read by the imperfectly percipient. The faculties required of a juryman are not exactly on a level with those of a medical specialist with a genius for diagnosis, even though it may suit an acute dialectician to stress the one point of resemblance—the subjection of the faculty of conscious ratiocination.

In the author's acute and original observations upon the part played by divergent types of education in developing the theoretical and the practical reason respectively these perils are less apparent, and the bearing of this portion of Dr. Hankin's work upon current academic and sociological problems merits very serious attention in its own right. The problem of higher education has, the writer considers, reached a point at which, in the interest of national and individual well-being alike, methods must be devised for facilitating mental contact and communion between the speculative and practical tendencies; and it is of the essence of Dr. Hankin's faith that by selective refinements of the scholastic curriculum it is possible to do much towards realizing this ideal. Briefly, his theory is that the mental "askesis" of youth should envisage the laborious acquisition of knowledge, and (a necessary corollary) a considerable proportion of obliviscence, as a positive asset to culture, on the ground that the evils induced by precocious reliance on the inductive methods of the sciences may thereby be mitigated and the one-sidedness of the narrower type of "expert" mind avoided. On the face of it, a theory which assigns a specific cultural value to our natural capacity for forgetting things may seem calculated to make a special appeal to Smith minor, and no doubt the writer's characteristic irony is not altogether absent from his recipe. In the main, however, his observations on the subject carry a large measure of conviction. At least they form a striking and impartial tribute from a true expert to the developmental potentialities of the humanities, and a plea, in the mouth of a scientific specialist, against excessive or premature specialization in science.

It is impossible to refrain from a brief tribute to the variety and interest of Dr. Hankin's anecdotes and modern instances. Most of these are delightfully fresh and unfamiliar, though Lord Mansfield's West Indian judge and the mathematician's immortal criticism of two famous lines of the "Vision of Sin" are perhaps exceptions in this respect. Many, moreover, and these not the least interesting, are the fruit of the wide and widespread experience of the writer's own career. We are doubtful whether business men as a whole will feel that Dr. Hankin has been kind to them, but we shall naturally be sorry if they do not.

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It would be an inopportune time for them to be wounded in the house of their friends. Ever since the war they have been our strength and song ; and now—at least since the Anderson report—they have become (we trust) our salvation.

G. O. W.

V

THE PRINCIPLES OF INTERNATIONAL LAW," by T. J. Lawrence, M.A., LL.D., seventh edition, revised by Percy H. Winfield. (London, Macmillan & Co.) 21s. net.

THIS well-known work comes to us in an expanded form, having additions placed within square brackets to show amendments to International Law brought about by the Great War, the Treaty of Versailles, and the 1921 Conference at Washington. It is obvious that Dr. Winfield writes in the spirit in which the work was conceived by Dr. Lawrence, and that he has the same passion for a broad-based international peace. Hence we shall look at once for the treatment of the Covenant of the League of Nations which, after all, is the new development of first importance. "The two root ideas of the Covenant of the League," says Dr. Winfield, "the prevention of unnecessary war and the promotion of international social and economic co-operation, are sound, nobody can doubt. . . . It is undeniable that the first of the two root ideas has been misstated by the impatient pessimist and misunderstood by the still more impatient optimist. To the one, the League is bound to fail because it proposes to abolish war. To the other, it ought to succeed for precisely the same reason. And as the reason does not exist, both start from a false premise. For war is actually recognized and adopted as a police measure by the Covenant. What it seeks to prevent is not all war, but all unnecessary war." Thus when we come to deal with the details of the constitution of the League, which are admirably expounded, we find an illustration from English history which has great force. "In England, under Henry II, the King devised legal remedies in his own court as an alternative to the open fighting by which the powerful barons settled their disputes about land. And he did this with scarcely any national government worth the name at his back, without any standing army, police, or public opinion to help him. What the internal condition of England was then, the condition of the body of civilized states is now, and what an English king did in the twelfth century for the internal peace of his realm, the League of Nations is beginning to do now for the welfare of the world. Is it any wiser to apply modern ideas of sovereignty to the League of Nations than to speculate in whom it resided under Henry II ? "

We can best indicate the spirit of the additions to the original work by a quotation. In the wealth of possible choice perhaps the most suitable

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for brief quotation is a portion of the section dealing with the transformation of merchantmen into vessels of war. There are several aspects of this issue, but the most important is what seemed to be an inconsistency in the claim of Great Britain that belligerent merchantmen should not be transformed at sea into belligerent warships but that prizes taken from the enemy might be transformed into warships on the spot. "A state's own merchantmen and the merchantmen of its enemy should be treated alike in this connection," says Dr. Lawrence. A compromise

was suggested by Great Britain, when her delegates at the Naval Conference of 1908-1909 were instructed that "difficulties might be met by restricting the right of conversion on the high seas to the case of vessels which had been specifically and publicly designated by the respective governments as suitable for the purpose and borne on their navy lists; and by subjecting such vessels, while in neutral ports, to the same treatment as belligerent men of war." But no proposal was able to secure agreement. [The Great War saw the frequent use of converted merchantmen, and on its outbreak Great Britain at once definitely stated her intent to put in practice the view which she had previously maintained. Knowing that Germany would probably attempt to get her merchant ships out of the then neutral ports of the United States and then convert them into warships on the high seas, the British Government notified the United States Government that it would be held responsible for any dangers to British trade or shipping which might be caused by such vessels. The United States returned a cautious answer which did not commit them either way.]

The section on submarines, of course, is quite new. Bombardment is dealt with in a section which has much new matter, and there is a delightful study of an "undefended" town under modern conditions. Submarine cables and their inviolability have an admirable chapter. The questions affecting belligerents and neutrals are considered most comprehensively. Altogether here is a book not for the law student alone but for all who wish to know something of the subject of international administration in its later aspects and who wish to study it comparatively. Above all they will learn that International Law is "a living organism which grows with the growth of experience, and is shaped in the last resort by the ideas and aspirations current among civilized mankind." In that fact lies its unique value; in that spirit it is handled in this admirable treatise.

JOHN LEE.

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### VI

"THE PRINCIPLE OF OFFICIAL INDEPENDENCE," by R. Macgregor Dawson, M.A.,  
D.Sc.(Econ.). (P. S. King & Son, Ltd.) 10s. 6d.

DR. DAWSON's theme is the advantage that accrues to the State from conceding to public servants a position of "official independence." Canadian experience is analysed to bring out the value of this principle of independence as a means to efficiency, more especially in any sphere of public administration where exceptional character or capacity is called for. What are we to understand by "independence"? No very sharp definition is attempted. "The official must be independent of some thing or person other than himself. Generally speaking, the other party to the relationship is the sovereign community, which has voluntarily abandoned its control within certain limits." Independence is thus freedom from control. After scanning these chapters the reader may be tempted to return and ponder this phrase; he may even ask himself is there such a thing as official irresponsibility? Is not responsibility rather commensurate with liberty of action? The independence in which Dr. Dawson is interested is, primarily at least, freedom from incompetent, corrupt, or selfish political pressure. How far the morals he points are applicable to a service fortunate enough to enjoy immunity from such pressure, and the character and conditions of such immunity—these are also questions the reader may well consider. Possibly he will conclude that a high standard of service, rooted in a long tradition and protected by a strong public confidence is the only possible basis for real independence. "Whom can I trust?" expresses the whole problem which faces the good citizen. What has been the Canadian answer?

"The history of the Canadian Civil Service," says Dr. Dawson, "is the most extreme instance of the results that have flowed from the American conception of office as being primarily a party reward." "There would seem to be a general opinion, such as exists in the United States, that political dishonesty is a necessary evil in a young and thriving country." Faced by such postulates, the problem of administrative organization acquires a distinctive character. This fact must be borne in mind by anyone who would understand the development of the public services in Canada. The character of the environment must also be remembered; the antagonism between a Catholic French Quebec and a powerful Orange Order in Ontario; between a rapidly growing industrial population in the East and an agricultural West; the absorbed preoccupation of a new immigrant population in wealth-getting and in local rather than national interests; the absence of any effective counterweight to the power of great corporations, oblivious to any considerations transcending dividends and lurid prospects of further expansion; the accidental character of the very territorial unity of a

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country held together by railways whose task it is, in defiance of geographical barriers, to convert a natural north and south flow into one running west and east. How could political mistrust fail to flourish in such a soil? "Political bodies are generally regarded with suspicion and often with hostility," says Dr. Dawson, "for their motives are not always altruistic and almost one half of the people dislike intensely the government of the day or anything connected with it." Dislike, that is, because they mistrust. Whether the principle have a wider application or no, here at least is good ground for testing the possibilities of extra-official officialism or official independence.

Dr. Dawson discusses *seriatim* the position of the Judge, of the Royal Commissioner, of the Governor-General, of the Member of Parliament, of the Senator, of the Permanent Commissioner, and of the Civil Servant. In each case he finds in independence the clue to effective power of service. Possibly the most interesting and illuminating chapters are those which deal with the Civil Servant and the Permanent Commissioner.

Until 1857 Canadian Civil Servants were appointed by the Executive. Though the beginnings of an examination test were instituted in 1868, and strengthened in 1882 and 1885, yet party services continued to be the determining ground of selection of candidates and it was not until 1908 that the long overdue reform of the service was seriously confronted. The Commissioners then appointed to oversea admissions were enabled in considerable measure to resist political pressure—though that pressure was still appreciable in its influence. Since 1918 a new examination system has replaced the general academic tests formerly applied, and, under American advice, an endeavour has been made to institute special tests for each of the 1,600 positions in the service. Whatever its defects, there is no doubt that the new system of appointment has raised the position of the Canadian Service and dissipated much of the distrust and uncertainty which formerly militated against its position and efficiency. An immense stride has thus been taken since the time when political partisanship was both the usual qualification for appointment and—on a change of government—the ground of dismissal, a system which remained in full force down to the end of last century. The full reform only dates from 1918, when the Outside Service was placed on the same non-political basis as had been secured by the Inside Service in 1908. The new system has brought into prominence the previously neglected responsibility subjecting inefficiency to the penalty of dismissal—one of the most difficult of the problems that surround Civil Service administration. In this regard a proper superannuation scheme is obviously of the first importance. Promotion tests also present formidable difficulties which in the author's opinion the new Canadian regulations have not yet solved.

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Under such circumstances it will be clear that the Canadian service has hitherto had little opportunity of demonstrating the achievements possible under a sound and efficient administrative system. It is thus natural that Dr. Dawson should devote a considerable proportion of his space to the description of various novel or special organs of government erected outside the regular circle of Canadian public departments and specifically endowed with semi-autonomous powers and immunities in order that they might be in a position to render public services requiring aptitudes supposedly unattainable under the normal type of administrative control. The device adopted for this purpose is the appointment of commissioners, usually men of national distinction who were endowed with specific statutory powers and fortified by a security of tenure sufficient to remove from them any immediate fear of ministerial or parliamentary interference. Dr. Dawson specifies a number of such authorities, describes their functions and powers, and estimates their varying success.

Thus, the Railway Commission, created by statute in 1903, to supersede the existing ministerial railway committee, consists of men who, being experts in their work, enjoy security of tenure and independence of political control. They occupy a semi-judicial as well as an administrative position, and have power by injunction and mandatory order to enforce compliance with the Railway Act. Their decisions are subject to appeal only on a question of jurisdiction or of law, and to the overruling authority in the ultimate resort of the Governor in Council. This body has enjoyed the confidence of the country and their work has been markedly successful.

The Board of Commerce also possessed during its brief existence a quasi-judicial and administrative authority with powers directed against abuses (such as excessive prices) falling in particular within the scope of the Combines and Fair Prices Act. Its failure stands out in sharp and instructive contrast to the success of the Railway Commission, more especially since the constitution and functions of the two bodies were analogous. A close comparison of these antithetical results should help to define the proper sphere of the autonomous authority and might perhaps bring into clearer relief the close inter-communication between the principle of independence and popular confidence.

In the case of the Trans-continental Railway Commission political independence has been proved to be a very inadequate substitute for technical competence as an administrative principle. The Ottawa Improvement Commission, however, possibly because its problems were less technical, is an example of a "lay" authority successfully supervising specialized work.

The Canadian National Railway Company, authorized in 1919, is an instructive experiment in administration. It is an attempt to run

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a large national enterprise on lines similar to those of an ordinary business concern. Its directorate, however, lacks the security of tenure which is the essential condition of an efficient public service, and the fact that it has had to administer an organization which has made a heavy call on the public purse instead of yielding a revenue has made independence of parliamentary interference an obvious impossibility. Political irresponsibility can never carry with it financial irresponsibility.

Enough has perhaps been said to bring out the main interest of this book and to illustrate its suggestiveness. Dr. Dawson is to be congratulated no less on his choice of a thesis than on his handling of it. The volume, which is published as No. 64 in the London School of Economics series of Studies in Economics and Political Science, is embellished with an introduction by Professor Graham Wallas.

G. I. H. LLOYD.

### VII

"SECOND CHAMBERS IN THEORY AND PRACTICE," by H. B. Lees-Smith, M.A. (George Allen & Unwin, Ltd.). 7s. 6d. net.

A FLAW in our constitutional machinery cannot be fully understood without passing in review almost the whole of our political system. Mr. Lees-Smith is to be congratulated on the speed and effect with which in thirty-three pages he achieves this result. The greater part of the remainder of the book is devoted to a description, or rather an analysis, of the Second Chamber experiments in the Dominions, Northern Ireland, and Norway, in which countries, the author holds, conditions approximate most closely to those of the United Kingdom. For the further information of his readers brief notes on the French and American Senates are appended to the end of one of his chapters.

The Second Chamber for which he is in search is one which will perform adequately and fairly the functions which the "Bryce Conference" thought appropriate to a Second Chamber in this country. Finance, and consequently control over administration, is, of course, excluded from those functions. In the compilation of the "Statute Book" the Second Chamber is to be sub-editor with the important duty of reviewing the contributions of the House of Commons, and of proposing new matter on non-controversial subjects. Where the Second Chamber disagrees with the First Chamber it may delay a chapter until such time as public opinion, the master of both houses, has demonstrated its will.

This final proposition places considerable power in the hands of the Second Chamber; and after a careful examination of the experience of other countries Mr. Lees-Smith fails to find any case in which a Second Chamber has exercised such power and performed its important duties adequately and impartially. The crux of the whole problem, in his

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view, lies in the fact that Second Chambers are always subject to party influences almost to the same extent as First Chambers. In consequence they normally fail in two directions, namely, in exercising any critical function on the work of the party to which the majority of its members are allied, and in hindering, without adequate or fair criticism, the work of the opposite party. Fairness is only approached as we draw near to the Single Chamber system as in Norway, or as the Second Chamber becomes a reflex of the general opinion of the First Chamber with the power to delay legislation strictly limited. It is along the lines of the second of these alternatives that Mr. Lees-Smith concludes that the Second Chamber in this country could most hopefully be reconstructed.

This book will be valued for the wide range of experience which is displayed and the care with which the facts have been marshalled. Occasionally greater point and weight would attach to the illustrations by the addition of a few more relevant facts. For instance, in the section dealing with the disputes between the First and Second Chambers of Canada the position of parties in the two Chambers, the period during which the governing party had been in power, and the importance which the parties attached to the measure whose fate is under consideration would give added cogency to the analysis. In drawing conclusions from the facts the author is sometimes inadequate; for instance, on page 81 he concludes his analysis of Canadian experience with the statement that "the experience of Canada, therefore, teaches us that life nomination is not a system for other countries to imitate." His analysis suggests that some importance attaches to the authority making the nomination. And, again, on page 112, when dealing with Australia's experience he states, "the referendum has defeated the proposals of all parties in turn, and made it evident that throughout the range of constitutional issues a Second Chamber is superfluous." On this line of argument one could almost prove that representative government was superfluous.

He would, however, be a carping critic or reader who laid undue stress on these minor points. This book is welcome not only for the masterly analysis which it gives of a very difficult problem but for the wealth of data with which the reader is presented to enable him to form his own conclusions.

A. C. STEWART.

### VIII

"MINUTES OF EVIDENCE TAKEN BEFORE THE ROYAL COMMISSION ON LOCAL GOVERNMENT"; Part I, evidence of Mr. I. G. Gibbon, C.B.E., *an Assistant Secretary, Ministry of Health.* (H.M. Stationery Office.) 7s. 6d. net.

THIS book contains the evidence given by Mr. Gibbon before the Royal Commission on Local Government. Stated in that way, it might seem to be an ordinary blue-book with questions and answers of the usual

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type and little of the spirit of controversy lying behind them. As a matter of fact, in the form of question and answer on evidence, it is the most comprehensive work on English local government that has yet appeared. The memorandum upon which it is based was astonishingly inclusive. It gives full particulars of the establishment of modern local government. It describes all sorts of local authorities, giving their functions, the services which they rendered, and the method in which those services were controlled and ultimately supervised. It shows the various combinations of local authorities and the method of controlling their expenditure. It goes into the philosophy of County Council government as an intermediary between centralized government and local authorities. It analyses the committee system and goes fully into developments in respect of alterations of areas and the whole principle of local rating. If it is added that these minutes of evidence contain no fewer than forty-four appendices, all of them of extraordinary interest, it will perhaps be clear how inclusive and valuable the whole book is as a contribution to the science of administration.

So inclusive is it, indeed, that one is bewildered at the outset at the large number of issues which are raised. For example, the discussion of "outgrowths" and the relation of an "outgrowth" to a town of which it is alleged or presumed to be an "outgrowth" is full of economic data, and it cannot be summarized with any justice to the discussion. Here, for example, is question 2687 (Sir George MacDonogh) : "But surely there is something more. I am sorry to press this point, but I cannot find out from these papers anything but a sort of view on the part of the Ministry that they would support an application from a County Borough for an extension unless the thing was absolutely unreasonable. For instance, you have told us a lot about the wishes of the Urban Districts, but you have not told us anything of the position of the County Council. Surely it is quite possible that an Urban District might be willing to come in, but the County Council might be most unwilling for it to be absorbed ; it takes away a large part of the County Council's rates and it upsets the County Council's education scheme, possibly, or various other schemes. Now what value does the Ministry assign to objections of that sort made by the County Council ?" Mr. Gibbon : "They go into any statements which the County Council make that their work would be adversely affected if the extensions were granted ; and if, in fact, they find that the County Councils would be seriously injured, they would not give it. In most of these cases the County Councils might probably find it difficult to say that they would be seriously injured. I am leaving aside now the creation of new County Boroughs, which is another matter, of course." That may be given as a specimen of the way in which both sides of various issues make their appearance in the course of the evidence.

The astonishing complications of local government powers may be

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seen almost on every page, but I confess to a weakness for Appendix XIII. This table shows the different kinds of Burial Authorities which act in England and Wales and the Acts of Parliament under which they have been appointed. It shows a remarkable complication in respect of local administration. Much the same may be said of Appendix XXXII, where varied types of Harbour Authorities are given, some where the Harbour Board contains representatives of the local ratepayer and where the Local Authority may give financial assistance, and some where the Local Authority is not empowered to give financial assistance; and one instance, the Mersey Docks and Harbour Board, in which the Harbour Authority is entirely independent of the Local Authority, and other peculiarities in the case of Swansea and Llanelly. Appendix XX deals with a subject which is rapidly coming into the foreground and gives a list of Joint Town Planning Committees, from which we see that in the Manchester region no fewer than 73 Local Authorities have combined for purposes of joint planning, while there are three instances of 10 or more Local Authorities coming together for that purpose.

In short, after reading this book one begins to feel that, so far as local government is concerned in this country outside London, there are a bewildering number of complications which have grown up from time to time, and it is not the least merit of this evidence that it gives a clear and comprehensive statement of the present position. Nor is it quite the deadly neutral thing that we might expect. Mr. Gibbon is singularly well-balanced in his statements of the issues, but he is not timorous in indicating the views which he holds or in summing up the general tendency of views which are held by the Ministry. One cannot but regret that it does not seem to be possible to put this mass of material into convenient and compact shape for a more general public. I have not the slightest hesitation in saying that many of these American students in London who may lay hold of such a book as this will turn it to profitable use as a basis for a thesis on English local government. Such a thesis may be very useful, but I should like to see some arrangement whereby a Civil Servant holding in his grasp such knowledge of vital issues in respect of local, quasi-local, and central government should not merely be permitted, but should be positively encouraged, to render it valuable to us all in a form other than that of minutes of evidence.

JOHN LEE.

### IX

"RATES AND RATING," by Albert Crew. (Sir Isaac Pitman & Sons, Ltd.)  
7s. 6d. net.

OF the making of rates as well as of books there is no end. Books may come and books may go but rates go on for ever. Any new

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publication on this distasteful subject has a certain amount of prejudice to overcome, but those of us who know Mr. Crew and his past works need no assurance that any publication under his name is thorough and readable. So it is with this volume on "Rates and Rating." The contents represent not only a digest of complicated law prepared by a sound lawyer, but also a practical application of the law to rateable properties, as varied in their character as human nature is. A book on rating treated only from the legal point of view may be made interesting, but an insight into rating practice which Mr. Crew's book affords as a result of his collaboration with Mr. Creswell, an Associate of the Surveyors' Institution, and Mr. Hunnings, the Rating Surveyor of Hackney Borough, must be both interesting and helpful. It concerns every citizen who is a ratepayer. In this respect the volume is helpful both to officials and ratepayers. In point of fact, one finds one's self somewhat undecided at times whether the book is more interesting when considered through the spectacles of an official, coldly appraising the merits of the existing rating system, or, on the other hand, when regarded from the point of view of a citizen concerned in the question whether our assessment rating system could be simplified and cleared of some of its anomalies.

While the matter is good, and judgment has been exercised in the condensation of existing law, the sequence of the contents might have been improved, and the practical notes in Appendices I and II might have been woven into the text throughout the volume, thus avoiding some overlapping, and applying the law in a more effective way in practical illustrations accompanying each chapter. Nevertheless, Mr. Crew's publication can be confidently commended on its merits.

ARTHUR COLLINS.

## X

"A TRACT ON MONETARY REFORM," by J. M. Keynes. (Macmillan & Co.)  
pp. viii + 209. 7s. 6d. net.

THIS is a short book, packed with an extraordinary wealth of fact and argument. Its conclusions are extremely important, and will seem to many revolutionary. The subject affords less scope than the Treaty of Versailles for Mr. Keynes' gifts of irony and invective (though Signor Mussolini and the United States Federal Reserve Board do their best to provide good sport), but the book is written with his usual vigour and vividness of style, and is therefore delightful to read. On the other hand, it contains passages (such as the description of the foreign exchange market in Ch. III and that of the present operation of our currency system in Ch. V) whose subject matter is so unfamiliar and whose argument so compressed that even the fairly expert reader must expect considerable demands to be made on his attention.

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After this introductory description, I propose first to give an account of the contents of the book, then to attempt some comment on its practical conclusions, and finally to indicate the respect in which it seems to me to have an especial interest for readers of this journal.

In his first chapter Mr. Keynes dwells on the evil consequences to society of the instability of the purchasing power of money. He points out how inflation robs the investing class, and converts the tolerable "business man" into the intolerable "profiteer," and how the opposite process of deflation discourages production and breeds unemployment. In this chapter Mr. Keynes is, with the help of new phrases and illustrations, traversing well-worn ground; in the next he turns to the more technical matter of the bearing of monetary instability on the problems of public finance. He treats of inflation as an exceedingly unjust but, within limits, exceedingly effective method of taxation; and discusses sympathetically a capital levy as the reasonable, if unacceptable, alternative to inflation for reducing the burden of a public debt whose service has come to eat up an intolerably large proportion of the proceeds of current production.

In his next chapter Mr. Keynes lays the theoretical foundations for his practical suggestions. He approaches the famous quantity theory of money from what is still to most people an unaccustomed angle, laying due stress on the variations, as between times of boom and of depression, in the proportion of their total resources which people choose to keep in the form of bank balances. He then passes on to expound and to qualify the now equally celebrated "purchasing power parity" theory of the foreign exchanges, to point out the difficulty under present conditions of preventing seasonal fluctuations in the exchanges, and to give the valuable account already mentioned of the mechanism for forward dealing in exchange.

In Chapter IV Mr. Keynes discusses the possible alternative aims of monetary policy. In the first section he demonstrates the folly of attempting to restore severely depreciated currencies to their pre-war value; in the second he puts forward the less familiar proposition that, where these two are not compatible, stability of *prices* is a more desirable object of policy than stability of *exchange*. In the third section he examines the merit of the gold standard from this point of view, and concludes that, especially since gold itself has now become a "managed" standard, whose purchasing power depends upon the banking policy of the American Federal Reserve Board, the gold standard is to be rejected.

In the next chapter Mr. Keynes outlines his practical policy. In his view the primary object of the Treasury and the Bank of England should be to promote the stability of prices, trade, and employment, and their principal weapon the regulation of the rate of discount in such

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a manner as to counteract disturbances in the price-level, however arising. But he would combine with this, as a secondary object, the attainment of the maximum possible stability of exchange through a system of Bank of England dealings, both spot and future, in gold, and through a policy of co-operation with the Federal Reserve Board in so far as that body also proves to be aiming at enforcing stability of commodity prices.

It hardly needs to be pointed out how widely this policy differs from that which is believed still to be the official objective of the Government and the Bank of England—the policy of the Cunliffe Report, which aims at the speediest possible restoration of the gold standard at the old par of exchange. Yet Mr. Keynes is surely right in maintaining that the Cunliffe Report, which is distinguished by a “complete absence of any mention of the problem of the stability of the price-level,” “belongs to an extinct and an almost forgotten order of ideas.” It is surely time that we should at least *try* to manage our monetary machine in such a manner as to promote fairness between social classes and steadiness of production and employment. Opinions will differ as to how far such a policy is assured of success, and only experiment can decide. Mr. Keynes does not minimize the difficulties, as some others have been inclined to do, by writing as though changes in the price-level originated solely in changes in the volume of currency or of bank advances. To remove “all possible influences towards an initial movement would seem to be a hopeless enterprise. The remedy would be rather in so controlling the standard of value that whenever something occurred which, left to itself, would create an expectation of a change in the general level of prices, the controlling authority should take steps to counteract that expectation by setting in motion some factor of a contrary tendency.” This is surely sound and wholesome doctrine.

And this brings me to my last reflection. Economists of genius may devise policies, statesmen of enlightenment may adopt them, but it must be administrators of sense and experience (whether servants of the State or of quasi-public corporations), who by daily decisions carry them into continuous effect. The conscious and deliberate regulation of the price-level, even though it be formally adopted by authority as the objective, is not very likely to be an easy task. The multitude of factors to be watched, of disturbances to be counteracted, is likely to be great enough to make considerable demands on the skill and judgment of those whose duty it is to adapt means to ends. Economists in the past have sometimes shown themselves critical of the activities of public officials, and prone to worship the workings of the Invisible Hand. This book is an admission that in the vital matter of the money standard the Invisible Hand has lost its grip, and an invitation to the administrator to wipe its eye.

D. H. ROBERTSON.

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## XII

"**STABILIZATION.**" by E. M. H. Lloyd. (George Allen & Unwin.) 4s. 6d.

THIS book falls into two quite distinct parts. The first eight chapters are concerned with monetary policy. In them the author gives a closely reasoned plea for a stabilization of the monetary unit in terms of commodities; in other words, for a stabilization of the general price level. He advocates an international currency regulation, on the lines recommended at the Genoa Conference, which, while retaining the gold standard, would aim at keeping the purchasing power of gold, as nearly as might be, steady. "It is doubtful, however," he says, "whether this object can be effectively achieved by manipulating the bank rate and co-operation between the central banks, so long as the marketing of the staple commodities, which enter into the general index number of prices, is carried on under competitive conditions. It might even happen that serious disharmony in the case of particular commodities might show no influence on the general level of prices."

This leads him on to the "wider plan of stabilization," which forms the theme of the second half of his book. The wider plan is that, just as the purchasing power of gold would be stabilized in accordance with the Genoa resolutions, so the prices of a wide range of staple commodities, such as coal, petroleum, wheat, sugar, wool, cotton, rubber, nitrates, and other similar commodities in universal and fairly constant demand, should be regulated by international co-operation and control.

The proposal is thus led up to through that of monetary stabilization, but Mr. Lloyd fully recognizes that it is of far wider scope. The two proposals are in fact different in kind. Monetary stabilization is no more than a maxim for the guidance of central banks in discharging the responsibility they already have for regulating credit. Mr. Lloyd's "wider plan" is a great project for State regulated marketing. It could hardly be contemplated except as an item in a great programme for systematically utilizing the authority of the State as an agency for improving the economic organization of society. In such a programme Mr. Lloyd is evidently a believer. He differs from the majority of Socialists in that he understands that the nationalization of production and transport is something less fundamental than the nationalization of marketing. How many Socialist Utopias must be written off as visionary abstractions, just because they disregard this essential point!

In applying his plan, Mr. Lloyd follows Fabian tactics; he proposes to work with whatever practical materials are to hand. At one point he finds a government organization already at work (like the American War Finance Corporation, or the British Australia Wool Realization Association, relics of war control). At another he finds a trust or a combination of trusts. At another a co-operative organization. Where

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the Government has no footing in such organizations, it can be given one.

The purpose is to be a stabilization of the price of each commodity. The stabilization, as Mr. Lloyd freely admits, cannot be absolute and for all time. But he hopes to eliminate unnecessary short-period fluctuations, the possibility of which is perpetually upsetting the calculations of producers. The key to the problem is in the regulation of stocks of the commodities concerned, and his scheme would include the necessary storage accommodation and also the necessary financial resources to provide for carrying these stocks. Any purely temporary variation in demand or in supply would not work its effect in a change of price but in an increase or decrease in stocks. Only a variation which was too great to be absorbed in this fashion would necessitate a change in price.

This policy of price stabilization is no more than has actually been carried into effect over considerable periods by some of the great American trusts, and Mr. Lloyd quotes the President of the Standard Oil Company as advocating a large extension of the storage facilities for oil for just such a purpose.

The reader of Mr. Lloyd's book will be prompted to ask why this far-reaching proposal for the "orderly marketing" of staple commodities should be linked on to the comparatively conservative proposal for stabilizing the monetary unit. In the passage already quoted he seems to claim that the stabilization of the prices of particular commodities is somehow necessary to complete the policy of stabilizing the general price level.

It may be admitted that big fluctuations in the relative values of commodities make the interpretation of an index number more difficult, and that the elimination of transitory fluctuations, which arise from an incomplete organization of markets, or from the want of sufficient capital to carry stocks, might facilitate the control of credit with a view to stabilization. But if the stabilization is pushed so far that changes in demand are absorbed in changes in stocks, instead of causing changes in price, it actually makes the task of credit control more difficult, for to that extent the price index fails to give the desired warning.

The policy of monetary stabilization has done all that is required of it when the total amount of credit created has been so regulated that there is no *general* expansion or contraction of demand. So long as that is so, if demand expands in some industries it must contract in others and vice versa, and a general inflationary or deflationary movement is avoided.

Nevertheless, even if Mr. Lloyd has failed to make good this part of his argument, it must not be inferred that monetary stabilization is irrelevant to his wider plan. The former, though it does not necessarily

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lead to the latter, is an almost indispensable preliminary to it. In fact, the stabilization of the prices of particular staple commodities would inevitably break down if faced with the big changes in demand that may be caused by a mismanagement of credit, and a consequent instability of the currency unit. One of the penalties of an unstable currency unit is that its immediate effects are so potent that other economic ills are thrust into the background, and along with them all thought as to the appropriate remedies and reforms. Therefore, if the primary purpose of Mr. Lloyd's book is to advocate orderly marketing under public control, the association of this with his argument for monetary stabilization is by no means arbitrary or fanciful.

The book, though very short (only 126 pages), covers much ground. That is only possible because it is clearly and concisely written. It is written also with the advantage of Mr. Lloyd's practical administrative knowledge, gained in war-time departments.

R. G. HAWTREY.

### XIII

"TRADE UNIONISM AND MUNITIONS," by G. D. H. Cole. 7s. 6d. net. "LABOUR SUPPLY AND REGULATION," by Humbert Wolfe. (Oxford Univ. Press.) 10s. 6d. net.

THESE two volumes are admirable accounts of the subjects with which they deal. Mr. Cole has had a most difficult task. To recount the history of an experience in which he played an important part with an impartiality which yet preserves interest is no inconsiderable feat. What emerges from his survey is, first, that when a new period of demand in the engineering trade sets in, we shall be driven back to the problem of mass production, and that, at such a point, the relation of skilled to unskilled workers will raise issues far more complex than those of war time. So much of our industrial future is a matter of competent organization that one is tempted to inquire into what is happening in the Ministry of Labour about this problem. Is it seeking the information upon the basis of which Government intervention can, later, be creative? Has it sought to inquire how a balance must be struck between the skilled and the unskilled? Is it evolving plans for the future of women's work? Does it propose to leave all these questions to the chaotic higgling of the market? And what of the unions? Has the war taught them the virtue of craft organization, or does it lead them to a new faith in industrial unionism? There is evidence and to spare that men like Mr. Cole are full of ideas upon these matters. It would be helpful if we could be sure that they were influencing the parties directly concerned.

Mr. Wolfe is evidently a man of the most diverse talents; for few would recognize a not undistinguished figure in contemporary letters beneath the mask of this careful and judicious survey. Certainly he makes us feel that, granted the vast transformation of industry entailed

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by the war, the Ministry of Labour made a gallant effort to cope with its task. Obviously certain great general lessons have emerged. If we so desire, we can by direct State intervention enormously simplify the job of putting the right man at the right work. Obviously, also, measures like the Wages (Temporary Regulation) Act and the Trade Boards Act of 1918 were more productive of good will in industry than any other measures of the war period. And I am still unpenitent enough a believer in discussion to suppose that a more urgent faith in Whitley Councils might have made them not the frail shadows they now are, but instruments of great creative good. The real tragedy of the record is that the Ministry of Labour ceased to function after 1921, and did not apply to its problems the lessons which even Mr. Wolfe's judicious temper cannot entirely hide from his facts. I wish he would persuade his chiefs to read the report of the Haldane Committee on the Machinery of Government and relate its proposals about plan and research to the lessons of the war. Our next period would be much easier than it is likely to be if that were done.

H. J. LASKI.

### XIV

"THE BRITISH COAL-MINING INDUSTRY DURING THE WAR," by Sir R. A. S. Redmayne, K.C.B., M.Sc., M.Inst.C.E., M.I.M.E., M.I.M.M., F.G.S. (Oxford University Press.) 10s. 6d. net.

THERE is no man in Great Britain whose official positions during the war fitted him so well for the writing of this volume of the "Economic and Social History of the World War" as the author, and in addition he brought to it an experience of some thirty to forty years spent in different spheres of activity in the industry. The result is that the information is abundant and the style is very intimate, as if the writer was describing to his readers at the end of each week what had been passing before his eyes and under his eyes day by day. He is at pains to disguise the importance of his own share in the daily task but, as has been well said by one who was associated with him, he is narrating events *quorum pars magna fuit*, and therein lies the supreme merit of the book. It is not a mere compilation of official documents, a "thing in book's clothing," but a personal narrative with a common thread running through it. To some readers the dominant note which will strike them is the inevitability of complete control which like Nemesis in a Greek tragedy seems to dog the series of well-meaning but timorous attempts of ministers and departments to secure the results of control by piecemeal measures while refusing to "go the whole hog."

We can divide the author's narrative into three periods, which to some extent overlap—

1. February, 1915, until early in 1917—what may be called *the period*

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of *Auto-suggestion*, that is, the highly successful period of the Coal Mining Organization Committee, consisting of representatives of coal owners and miners, presided over by the author. The work of this committee, appointed by the Home Secretary and while having no direct powers of its own supported by him in the background, is a gratifying example of what can be achieved by a group of Englishmen and Scotsmen sitting round a table with a good chairman, representing interests often in direct conflict but animated by the single aim of the national good. It is true that some of the most enduring recommendations which emanated from this committee required the exercise of statutory powers, e.g. the Coal Exports Order in Council of May, 1915, and the simultaneous appointment of the Coal Exports Committee to grant licences for export, and the Price of Coal (Limitations) Act, 1915. But in the main this committee worked by suggestion—suggestion to the industry by the chosen leaders of the industry—based upon information as to the changing state of the industry under the pressure of war, continuously collected and studied by the committee sitting weekly and often daily, and the sanctions behind the recommendations which it made to the industry was in the main the weight of the personnel of the committee and not the strong arm of the State. It represented an heroic attempt to adapt the industry to the purposes of war without the necessity of State Control. As the author says (p. 14), “the pleasantest relations existed among the members of the committee, its proceedings were characterized throughout by complete harmony, and, with but one exception, its resolutions were unanimous.” The high-water mark of its achievements was touched, in my opinion, when the committee unanimously recommended the Government to legislate for the limitation of the price of all coal for inland consumption at a time when in this as in other industries employers’ profits and workmen’s wages were rapidly increasing. By this self-denying ordinance the upward movement in coal owners’ profits and miners’ wages was retarded in the face of a steady rise in the cost of living, which was eventually met in the case of the miners by successive war wages beginning in September, 1917.

2. From May, 1915, until the end, *the period of the Control of Distribution of Coal* (a) as to destination, by means of the Coal Exports Committee, which licensed the export of coal from May, 1915, to neutral countries only and from July, 1915, to allied countries as well, and by means of the Central and District Coal and Coke Supplies Committees; and (b) as to price, by means of the Price of Coal (Limitation) Act, 1915, above mentioned, and in the case of exports to allied countries by means of semi-official agreements negotiated between coal owners, coal exporters, and certain allied governments under the influence of the Board of Trade. Two comments may be made upon these measures of control. Firstly, the licensing system caused an inevitable dislocation of business

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connections which had been laboriously built up in neutral countries, but was absolutely necessary to ensure the prior satisfaction of the needs of our own and allied industries for munitions and other essential purposes. With the enormous discrepancy which soon manifested itself between home prices under the Limitation Act and export prices (e.g. for one type of coal 16s. per ton, for inland consumption, compared with 60s. and even 65s. for export), the temptation to neglect home industries by exporting every possible ounce was too great to be allowed to operate upon human nature without Government intervention. Secondly, the Limitation Act for the reasons indicated by the author (p. 263) was probably the most successful of all the artificial restrictions of price attempted by the Government during the war and saved the British householder, large and small, from excessive prices in one of the most important items in his cost of living, thereby avoiding in proportion the discontent arising from increased cost of living and the higher salaries and wages required to cope with it.

3. From February, 1917, to the end, *the period of Direct Control* over prices, production, distribution, and to a large extent consumption, exercised by a Controller of Coal Mines with an Advisory Board representing "both sides" of the industry.

Such is a skeleton outline of the narrative told by Sir Richard Redmayne, and round it lies abundant matter describing the various points at which the coal industry touched other industries and the general life of the nation. Amongst these topics we may mention the recruitment of miners, the supply of pit timber, the gas and electrical industries, the transport and rationing of coal, the Daylight Saving Bill (which was, I know, insistently advocated by the author), "coal pressure" upon neutral governments as a means of extorting compensatory concessions, the work and report of the Coal Conservation Committee, presided over by Lord Haldane, and of the Coal Industry Commission, of which Mr. Justice Sankey was chairman.

The author seems reluctant to admit, looking back on the years of crisis, the necessity of instituting complete and direct control. But in my humble judgment at least two factors made that inevitable, and it is a pity that it was not adopted as early as September, 1915, when, as appears from the author's hint on p. 88, it was under consideration. The first was the bad effect produced in the minds of the workmen by the knowledge of the fact that literally huge profits were being made by exporting collieries upon the sale of coal for export; if my recollection serves me right, it was the rise in freights and in shipping profits that was largely responsible for the control of shipping, and the same consideration applied to the coal industry; if the men were to be asked to put forward their best efforts to increase output, it was necessary to give them an assurance that the result of their efforts would not merely

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or mainly be the enrichment of one section of the community. The second factor was one which most of us, being wise after the event, will probably admit, and which, so they tell me, is a feature of alcoholic and other excesses, namely, that control breeds control. *Crescit indulgens sibi dirus Hydrops*; that once embarked upon interference it is almost impossible to stop short of complete control. As the author says (p. 89), "no doubt *direct* control of profits would appeal more strongly to the workmen and conduce in a greater degree to the prevention of labour unrest than a system of *indirect* control," and I venture to express the opinion that if complete control had been instituted in 1915 over production and distribution and profits much of the seed that was to bring forth such bitter fruit in the succeeding years would never have been sown.

But Sir Richard Redmayne's book is not merely a record of the coal-mining industry during the years 1914 to 1921. It is more. It is a valuable source-book for the settlement of the controversy which flared up in 1919, has smouldered since, and may flare up again almost at any time—namely, what the future organization of the industry is to be. Each observer will draw his own lessons from the period of war control. One will see in it an argument in favour of nationalization of the industry, another an argument to the contrary. If your reviewer may venture an opinion, it is that neither of these views is correct. There are no sufficient common data in the war-time control of an industry and a permanent state of nationalization. On the one hand, in time of war many persons are capable of stimulation to effort and efficiency by motives of patriotism which for them do not exist in time of peace. On the other hand, the personnel of the Government staffs which exercised control during the recent war are not a fair index of the calibre of man who could be trained for those duties in time of peace; by the time control was the order of the day during the recent war the permanent Civil Servant was more than fully occupied, and the extremely difficult and highly novel task of control (with many notable exceptions, of which the author of this book is an example) tended to fall into the hands of a "scratch crew," army rejects, business men with instincts commercial rather than administrative, and others of a calibre inferior to that which would be produced as the result of a deliberate act of policy. I think, therefore, that the opinion often heard that nationalization means the sort of bureaucratic control of industry to which the war accustomed us is a superficial one. To me the outstanding lesson of the coal control is a different one and is amply illustrated by passage after passage in Sir Richard Redmayne's book, namely, the value of consultation between the coal owners and the miners not merely in the daily problems that come before pit committees (where they exist) but in the higher direction of the industry such as took place at the Coal Controller's Advisory Board.

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## Reviews

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(As the author indicates (p. 92), that Board ought to have received greater powers and ought to have been in practically permanent session.) The moral of this consultation during the war is that the creation of some machinery for making it a permanent and effective feature of the life of the industry and—I venture to add—the development of joint consultation into joint control would be a source of strength to the industry and a means of eliminating the interneic conflicts which from time to time menace its prosperity.

ARNOLD D. McNAIR.

### XV

"LABOUR IN THE COAL MINING INDUSTRY," by G. D. H. Cole. Royal 8vo (10 x 7). xii + 274 p. Published on behalf of the Carnegie Endowment for International Peace by Humphrey Milford at the Clarendon Press, Oxford. 10s.

ANY work which covers that most interesting period during the war and after in the history of coal mining must command attention and be read with interest and advantage, and the work before us is no exception to the rule.

Excellent and comprehensive as in many respects is the description given by the author of labour conditions (chiefly from the wages point of view) in the British coal mining industry, it is spoilt by an evident leaning towards one side, which detracts from its value as a record. Otherwise, in point of style, lucidity of expression, and arrangement of matter, the work reaches a high level, and, I do not doubt, will be widely read.

But three qualifications are pre-eminently necessary in the production of a standard work on labour in coal mining: intimate knowledge of the industry, impartiality, and accuracy. To some extent these desiderata are lacking in the case before us.

The conditions existing in coal mines, the nature and great variety of the work, the differences as between the separate coalfields, and many other matters germane to coal mining can only be fully grasped and accurately described by one brought up in close connection with the industry.

The impression left on the mind after a close perusal of the work before us is that the author has written it from information forthcoming from one side only, and with a bias in favour of that side.

Some of the statements in the book are either not clear or are erroneous. For instance, he says (p. 17): "Early in 1915 an agitation was set on foot by certain of the coal owners for a suspension during the war period of the Coal Mines Eight Hours Act." The facts are that the Coal Mining Organization Committee (which, by the way, the author erroneously regards as a committee on which the Board of Trade was represented;

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it had nothing to do with the Board of Trade), of which the present reviewer was chairman, having to enquire as to the best means to be adopted of maintaining the output of coal in view of the heavy enlistment of miners for the fighting forces, took into consideration the advisability of the suspension of the Eight Hours Act, in whole or in part; the more extensive employment of women and boys at the surface; as well as other possibilities. As to the Eight Hours Act, they decided that the only way to bring about the suspension without dislocating the industry would require the mutual agreement of owners and workmen on the point. Both sides conferred together under the presidency of the chairman of the Coal Mining Organization, and concluded that, before further considering the matter, greater efforts should be made towards reduction of voluntary absenteeism. There was no "agitation" for suspension of the Act, or in respect of the other matters mentioned above.

The account given of the serious situation in South Wales—a situation which was the initial cause of Government control of the industry, pp. 27-30 and 44-48—should be compared with that given on pp. 57-62 of the present reviewer's work on "The British Coal Mining Industry during the War." Mr. Cole ought, in fairness, to have brought out the fact that in granting the 15 per cent advance to the South Wales miners in June, 1916, the Board of Trade disregarded an agreement which it had itself brought into existence not a year previously, and set the workmen free from obligations which that agreement had enforced upon them. He says: "The fact that on both occasions on which matters came to a head these advances were granted by the Government after a full investigation of the position seems to indicate that the miners were in the right." But this postulates *full* investigation by a Government, which is *always* right! The last advance of 15 per cent, viz., that acceded to the South Wales miners on 1st December, 1916, was not granted in accordance with the majority decision of the inter-departmental committee which had been appointed to advise with regard to the directions to be given under the order by which the South Wales miners were taken over by Government.

The author makes too frequent allusion to "crises"; for instance, on page 57 he mentions a "crisis," a "deadlock," and describes the situation as being "still very threatening," when the state of affairs then existent does not warrant such emphatic phraseology. One is irresistibly reminded of the words of the old lady who chided her niece for the too frequent use of the word "awful." "My dear, you will have no word left in which to describe Hell!"

Chapter IX, which is the last and longest in the book, is also perhaps the best. It treats of "The struggle of 1921," but here again it is spoilt by evident leaning towards one side. It is to be doubted whether the

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## Reviews

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coal owners will accept as correct the wages rates quoted on pages 241 and 242. They are certainly, for comparative purposes, in need of explanation ; for instance, are the values of the free house and coal which are supplied to the married miners of Northumberland and Durham included in the wage rates quoted ? I doubt it.

If this criticism of Mr. Cole's work strikes the general reader as harsh, I would point to the fact that the author has himself set a high standard by which to be judged. He says, in his "conclusion," page 243 : "I have been aiming not at a definite interpretation of the events but at a simple narration which will provide material for the interpreter. I have made it my business to state the facts clearly, leaving out, wherever possible, my personal opinions about them, or about the rightness or wrongness of the actions which I have recorded."

The work ends in a mournful strain with regard to the state of the industry and those engaged in it. Mr. Cole says that, even as he has told the story, "the tragedy of it stands out plain enough." It is really very difficult to follow the author in his "tragedies" and "cruel aftermath" of hopes. He speaks of the collapse of the industry "and in a degradation of the standard of life in the coalfields to a level far below that of 1914. It ended with the coal industry in ruins, with the demolition not only of the hopes of 1919, but of the realities of pre-war days." And the last line of the book is, "The tragedy is felt day in, day out, in many thousand homes."

Not only are these expressions the language of exaggeration, but the description is not true of the state of affairs in the coal fields and would not, I am sure, have been written had the author had an intimate knowledge of the industry past and present.

R. A. S. REDMAYNE.

## XVI

THE INTERNATIONAL LABOUR REVIEW, published for the International Labour Office (League of Nations) by George Allen & Unwin, Ltd. 2s. 6d.

THE International Labour Office has been claimed as being the most immediately and the most consistently successful part of the League of Nations. Certainly the Monthly Review which it publishes is a very fine achievement, and it provides a flow of information which prior to its publication was almost unattainable. Written as it is by men and women of every country between whom and the English reader must frequently stand the translator, it does not pretend to any literary graces, but it is gradually becoming an unrivalled source-book in regard to industrial conditions all over the world. It provides a mass of information in regard to administrative detail that one would have formerly despaired of obtaining.

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It would be impossible in the course of a short article to attempt any summary of the solid five hundred pages of the issues of July, August, and September, or even to recount the subjects dealt with ; the most that can be done is to refer to certain articles which have happened to strike the imagination of the individual reviewer.

The first of the three numbers under review, for instance, has an article on " Employment Administration in the United States Post Office Department," written by Mr. Cantwell, the Secretary of the National Association of Letter Carriers, which gives an account of the application to that department of a system which bears considerable resemblance to our own Whitley System. It has a National Service Relations Council and local Councils, and has apparently aims very similar to the Whitley Council aims, it differs in having been set up on the initiative of the head of the department, and in being purely advisory.

The most important article of this number is a review of labour and industry in China, which recounts the advance that has been made in industrial development, details the conditions under which modernized industry is carried on and the attempts that are being made to regulate them. It is an important document for the social historian. For us its chief value lies in its evidence that China is on the way to being a serious competitor in some of our basic industries. The figures as to cotton are most striking. In 1915 only a million spindles were engaged in cotton spinning, by August, 1922, two million were in operation, a quarter million were being erected, and one million four hundred thousand were on order.

Another aspect of the great problem of post-war world subsistence is discussed in the September number, where Vincenzo Castrilli, of the Italian Ministry of Public Instruction, discusses " Intellectual Workers and the Labour Market." He remarks that now the difficulty of intellectual workers in finding work " is so universal as to suggest that the supply is far in excess of the demand."

On the one hand the cost of training has gone up, on the other hand the remuneration of intellectual workers has fallen so low that in many countries they are paid less than the manual workers. Yet Senor Castrelli says that " these difficulties do not seem to have discouraged the younger generation from taking up studies which may open the way to an intellectual career." Italian students in 1921-2 had increased by nearly 70 per cent as against 1913-14, German students by more than 70 per cent despite territorial losses, in Great Britain and the United States the numbers had doubled. The writer suggests a control by the State over the production of and distribution of these expensively trained workers based on an elaborate international statistical inquiry as to the requirements of the different countries.

Two valuable articles appeared in the August number which I have

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only space to mention. Mr. H. M. Conacher, of the Board of Agriculture for Scotland, wrote on "The Regulation of Agricultural Labour Conditions in Continental Europe." Miss Dorothy Sells, of the U.S.A. Department of Labour, gives the fruits of her examination of the working of our Trade Boards System.

There are also a number of interesting articles dealing with the organization of employers and employed. Consideration of space, however, precludes further description.

J. H. MACRAE-GIBSON.

## XVII

"THE AMERICAN POLITICAL SCIENCE REVIEW," published quarterly. (London agents : P. S. King & Son, Ltd.) 5s. net.

THERE are three fairly long articles in the November issue of this Journal.

"The Political System of Imperial China," by Harold Scott Quigley, sketches in seventeen pages the historical development of the Chinese Constitution. Little notice is taken of the republican developments of the last few years, the writer remarking that beneath the new names and behind the incongruous "Western style" facades the old spirit and methods continue to control.

"Growth of Presidential Government in Europe," by Charles E. Martin, does not deal with the new republics which have been created in Europe since the war, but is addressed to the proposition that "war necessitates a powerful, and, in a Parliamentary sense, an irresponsible executive," best typified by the Presidential system in the United States of America. In consequence European Governments tended, during the war period, to approximate to the American system, and the new Constitutions created in Germany, Czecho-Slovakia, etc., were influenced by this development.

"Guild Socialism and Pluralism," by Ellen Deborah Ellis, is in the nature of a critical review of S. G. Hobson's "National Guilds and the State," and G. D. H. Cole's "Self Government in Industry," "Social Theory," and "Guild Socialism Re-stated."

These three articles occupy 46 pages. The following 53 pages are devoted to various kinds of "Notes and News." The chief item of American news is the "Fiscal and Administrative Reorganization in Pennsylvania."

In the section dealing with foreign notes, pride of place is given to an article on the "International Status of the British Dominions."

"Book Reviews" occupy 28 pages, and briefer notices on books a further 20 pages. The number concludes with a lengthy list of recent publications of political interest, both American and foreign.

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### XVIII

WELTWIRTSCHAFTLICHES ARCHIV, published by the Institut fuer Weltwirtschaft und Seeverkehr, Kiel University.

THE October issue of the *Weltwirtschaftliches Archiv*, published by the Institut fuer Weltwirtschaft und Seeverkehr (Institute for World Industry and Sea Traffic), which is connected with the Kiel University, maintains the high standard of previous issues. The leading articles are—

1. The Theory of the Distribution of World Wealth.

This article covers the creation and distribution of wealth and the effect of capital investments in poor and rich countries.

2. The Sociology of the Democratic State.

This deals with the various forms of democratic government and reviews authoritative opinion on the subject.

3. The Correct Form of the Cost of Living Index Figure.

4. German Emigration to Brazil 1820-1870.

This deals with the experiences of German emigrants to Brazil during the stated period, and ends with a brief description of the present position.

The publication also contains reviews of recently issued official and private publications, both German and foreign, dealing with economic and political subjects, and has the following special articles on subjects of general interest—

(a) India's Foreign Trade since the war. (Printed in English.)

(b) The Provision of Cotton for British Manufacturers from the Empire and the Growth of the "Empire Cotton Movement."

(c) The Internal Purchasing Power of the Mark and its Relation to the Rate of the Exchange.

(d) The International Arrangements regarding Pre-war Debts.

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## The Forum

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### THE FORUM

[The object of this section of the JOURNAL OF PUBLIC ADMINISTRATION is to provide an opportunity for frank discussion. Articles should not exceed 500 words and should be devoted to subjects of immediate interest to the Institute. They may or may not be signed, but must be written by an accepted Member or Associate of the Institute, and the name and address of the sender must be supplied.]

#### CONSTITUTIONAL EVOLUTION OF THE CIVIL SERVICE

A NUMBER of very interesting questions were raised during the discussion on Viscount Haldane's inaugural address to the Institute for the present year. These included—

*Royal Prerogative and the Civil Service.* Sir Stanley Leathes emphasized the importance of the Royal Prerogative, pointing out that the Civil Service was controlled by it as expressed in Orders in Council. The other element of control was exercised by Parliament through its control of the purse.

Mr. G. H. Stuart-Bunning underlined the point about the importance of the prerogative, and referred to cases where, if Civil Servants had been in the employ of anyone else but the Crown, claims could be tried in a court of law, but under the Prerogative this cannot be done.

*Public Opinion, Facts, and First Principles.* Sir Stanley Leathes spoke highly of public opinion which on emergency acted by an effort of the sub-conscious mind, and on many other occasions saved effort by accepting the guidance of tradition and custom. Mr. Macrae-Gibson found it difficult to say what public opinion was on any given subject, even where that subject was of major importance. The daily press was misleading, as it was propagandist rather than interpretative. A visitor, Mr. B. C. Adams, thought the business of the Civil Service was to base its advice to Ministers on facts, and to assist public opinion by making those facts more widely known. This view was strongly supported by Sir Henry N. Bunbury, who described the British public as a truth-loving people. Sir John Anderson (the chairman) also supported this attitude, and pointed out that sometimes public opinion could achieve results by itself without the intervention of the powers of Government. Where such appeared to be probable the Government should hold its hand. Frequently in giving advice it is necessary to go back to first principles. When such occasions arise care must be taken to see that the right first principle is referred to. This is not easy. Even the principle mentioned by Viscount Haldane—*Salus Populi Suprema Lex* (the safety of the public is the supreme law)—had proved misleading on at least one

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occasion when it came in conflict with the doctrine that whatever the highest court of reference says is law must be presumed to be law.

*Tradition and Methods.* Mr. J. R. Brook thought that there were certain dangers in the love which Government departments had for tradition. There was much that was unintelligible and superfluous in the way "orders" and other official documents were cast. A great deal of trouble, especially in the House of Commons, might be avoided if matters of merely historical interest were omitted from such documents. Mr. A. C. Stewart contrasted the methods followed in the Civil Service and the Army when reaching and applying a decision. Initiative in the Army started at the top, ideas and suggestions were passed down for experiment and trial, but in the Civil Service initiative generally started much lower down the ranks ; facts, opinions, and suggestions were passed upwards for acceptance or rejection. He preferred the Civil Service system on the ground that close contact with a problem stimulated suggestion, and further, the responsibility of making a suggestion provided the best kind of training for the exercise of higher responsibilities.

### FILES AND MINUTES

Does not Sir Josiah Stamp's lecture printed in the July JOURNAL partly answer the question raised by a Member of Council in the Forum as to the part played in administration by files and minutes ? Yet the subject is such a wide one that one feels the writer to the Forum did well to propose it for discussion in the pages of the JOURNAL.

The fact that a Government department is administering an Act of Parliament and endeavouring to dispense equal treatment to similar cases seems to fasten its methods down to writing, while written matter which must be preserved for reference needs to be filed. The methods of writing and filing might, however, provide a suitable field for investigation by the Institute, and a medium for the enquiry might be found in one of the Research Committees open to all interested members such as were outlined at the General Meeting.

To judge by the magazines written for the administrators and executives of business undertakings, there is a widespread movement towards labour-saving filing systems, the result of much care and thought given to particular needs. Although the needs may not perhaps be parallel in the public services, the subject in its application to those services might be a worthy one for the Institute to take up.

Minute writing and the filing of written papers seem to be as much the backbone of administration as book-keeping is in relation to accountancy. A study of the history of accountancy reveals a steady tendency towards enlargement in order to meet ever-growing needs, while each extension of the field has become crystalized into a national, if not international, system forming the basis of an honourable profession.

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## *The Forum*

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This crystallization seems to be mainly due to two forces, viz.—

- (i) the institutional development of those practising the science,
- (ii) the influence of text-books and education fostered by examinations.

Would it not help to meet much mis-directed or ill-informed criticism of the methods of the public services if the Institute of Public Administration could prepare the way for, and perhaps publish, an authoritative textbook on filing as it exists in its established forms within the Service to-day.

Such a textbook might not only provide a foundation for the future improvement of what is in reality a definite science, but would undoubtedly be of service in the training of new entrants to the public services.

The Research Committee need not embark on too big a task at first. There are many books already written which contain passing references to the subject, and there may even be found publications dealing fully with the field to be surveyed. It would be a service to examine these and bring them to wider notice through the medium of a report, and then lay the foundation stone of the work of improvement, for unless the services are dead things there will always be room for improvement and growth.

F. H. S.

The matter of "Card Records" is perhaps one which might with advantage be introduced here. The arrangement of such records is usually in the hands of a particular department and, while in some departments card records exist on an extensive scale, in others there are restrictions. Local conditions have, no doubt, to be fully considered.

All Government and Municipal departments, however, issue and receive circulars, and various ways and means exist for indexing them. Usually an index book is in use, and by this means the search for a particular circular is limited to the appropriate alphabetical letter. A card record ought to limit the search to a single card. This assumes, of course, that all circulars relating to a particular subject are recorded on the relative card.

A department of the Admiralty may be taken as an example, perhaps. This department has for reference a number of circulars and instructions relating to "Wireless." In a book record these circulars and instructions would, *inter alia*, be indexed at various stages, according to the date of issue, under W. Under a card record, nothing but that relating to wireless would be entered on the card.

It is doubtful whether any department has yet extended its card system to the indexing of circulars, and it is considered that discussion in the matter might help in the introduction of such a record or, alternatively, furnish reasons for excluding it.

W. G. MORRIS.

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Contributions should be addressed to THE EDITOR, THE JOURNAL OF PUBLIC ADMINISTRATION, Sir Isaac Pitman & Sons, Pitman House, Parker Street, London, W.C.2.

Contributions are especially invited to The Forum. They should not exceed 500 words and should be accompanied by the name and address of the writer, who should be a Member or Associate. Initials or pen names are permissible in publication.

Books for review should be addressed to the EDITOR.

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## *Notes*

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### **Notes**

**HISTORY OF MINISTRY OF MUNITIONS.** The library of the Institute has received by official authority an important addition in the shape of a set of volumes dealing with the activities of the Ministry of Munitions from its inception under Mr. Lloyd George in 1915 to the close of the Great War. These volumes form part of a comprehensive official record compiled for confidential use in the Public Service. War-time administration has happily passed quickly out of the arena of contentious political discussion, but, nevertheless, the distribution of these volumes is an event of exceptional interest. It is understood that the volumes in question are surplus copies of the official edition. Only a very limited number of these sets was available, and these have been issued to some of the principal research libraries of the Empire. In this way students interested in the economic and social experiments which were conducted under the stress of national emergency (such as official wage determination or the administration of State factories—to take two leading examples) have a unique opportunity for consulting authentic sources of information. With the disappearance of the Ministry of Munitions itself—that widespread but evanescent organization for securing public control over private enterprise and industrial life—this record has become the only convenient clue to the vast mausoleum of documents which presumably enshrines the main surviving evidence of that Ministry's existence and activities. We are confident that the privilege of access to this record will be fully appreciated, and we wish to bear our testimony to the liberality of the official recognition of the wider national purposes for which it is thus made available.

It is not possible at this juncture to offer a critical estimate of the contents of these volumes. Since the work was—of necessity—conducted mainly during the lifetime of the Ministry, it must inevitably suffer from absence of the perspective which time alone can give. Probably this same factor, combined with the high standard of thoroughness and fulness of information required by public administrators, have made for excessive length. But the student looking for facts rather than conclusions will be apt to regard this as a merit rather than a defect. In any case we believe the workmanship to be thorough, basing this conclusion more particularly on the competence of the principal contributors. Mr. G. I. H. Lloyd, under whose direction as Head of the Historical Branch of the Ministry the work was carried out from beginning to end, enjoyed the assistance of writers and editorial advisors of recognized distinction such as Mr. F. M. Cornford and the late Mrs. Harold Temperley of Cambridge, Mr. A. J. Jenkinson and Miss C. Butler of Oxford and Miss L. J. Redstone.

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Among many other contributors may be mentioned Professor Henry Clay, Mrs. Hilary Jenkinson, and Mr. A. Loveday. Each of these was responsible for one or more sections of the record. As issued, the anonymity of authorship is fully observed. We are glad, therefore, that we are able to lift the veil to this limited extent.

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**PUBLIC FINANCE IN OTHER LANDS.** Events have conspired to give exceptional prominence and topical interest to public finance, to the study of which the present issue of this Journal is specially devoted. It provides the key to the most important international discussions either proceeding or pending. It is the centre of national interest in France, Germany, Poland, Russia, and in most of the smaller countries. At the time of writing, the report of the expert committee on budget conditions in Germany, which is the subject of the most widespread interest, has not yet appeared. There is every prospect, however, that it will be issued at an early date. As a preparation for this event the reader is referred to the article in this number by G. Montagu Harris on "The German Republic."

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**POLAND.** The report which was prepared by Commander Hilton Young on financial conditions in Poland has just reached us. It is a model of what such a report should be. It begins by tracing out the financial conditions and it goes on to indicate the remedial measures. It gives a minute analysis of expenditure and of revenue, and it deals with currency reform, internal and external loans, and the general reconstruction of all the economic conditions of the country. There is a significant paragraph under "foreign loans," which is worth quoting. "If I rightly interpret the events of the last six months, Poland, now fully alive to the dangers of continued inflation, has resolved to achieve unaided her own financial salvation. In the manner of a former utterance, Poland may say that, having saved Europe spiritually by her example, she is now determined to save herself materially by her exertions. It is a high resolve. In my opinion, it is possible of performance. There is no economic impossibility in the country's budget being balanced within a reasonable time by the country's unaided effort." The brief but incisive references to the overweighting of the administrative machinery are of value as indicating the scope of the problems, and we notice that among the State enterprises Commander Hilton Young suggests that "the medical springs are inessential to any necessary functions of the State and should be leased." We apprehend a little difficulty in defining "the necessary functions of the State."

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## Notes

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ACCOUNTING IN GOVERNMENT DEPARTMENTS. In the sphere of home administration the outstanding event bearing on the problem of financial control is the appointment of the Treasury Committee on "Accounting Methods in Government Departments," with Sir R. Russell Scott as chairman. It will be interesting to see whether this committee concerns itself mainly with the question of the cost of running accounting departments, or with the wider issues of principle which arise in the report of the committee on Army Financial Administration, which has just been published.

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ARMY ACCOUNTING. The report of this committee, over which Sir Herbert Lawrence presided, is an important document and merits careful study. The burden of the report is that efficiency and economy can best be achieved by a liberal delegation of authority to the man on the spot, provided that this delegation is accompanied by an accounting system which will bring out the financial results of the exercise of the delegated powers and is calculated to show whether "value for money" has been secured. These principles of administration are advocated in contrast to the alternative and traditional method of Government through a mass of regulations imposed by the central authority. It is a moot point how far so wide a delegation of authority and the development of initiative on terms that promise advancement to the successful and retirement or the *cul de sac* to the unsuccessful can be reconciled with Parliamentary government. But if uniformity rather than efficiency is regarded as the object to be sought for, and still more, if the machinery of criticism is applied relentlessly to every minor irregularity, the inevitable result must be a demand for precise codes of instructions and for a system which will ensure that they are followed in all circumstances.

SIR CHARLES HARRIS. Few, whether at Westminster or in Whitehall, have upheld the doctrine of "value for money" so persistently as did Sir Charles Harris. Fewer still have had his conciseness and clarity of diction in written or spoken word, which made him one of the most powerful witnesses ever called before a Parliamentary or departmental committee. In his advocacy of principles, and in their practical application, he not only commanded, to use his own phrase, the "wholesome fear" of his staff, he earned their profound respect. During his later years he suffered much, and it was only an iron will that enabled him to triumph over his physical disabilities. A wide public will hope that in retirement he may be long spared to use his great abilities in the service of the State.

## Treasury Control

BY HENRY HIGGS, C.B.

[*A Lecture delivered before the Institute of Public Administration,  
22nd November, 1923.*]

IF I were speaking to an uninstructed audience, I should probably think it necessary to begin by an attempt to describe and define Treasury Control, but this is surely unnecessary. Treasury Control is something that you live under, that you suffer from, that you profit by; and if you cannot define it, well—Lord Morley used to say that he could not define an elephant, but he knew it when he saw it, and you know Treasury Control when you feel it. But your Institute has a philosophical scientific basis, and it may be desirable to look at the thing in its quiddity to see how far it can justify its existence, if it can justify it at all, upon what sort of authority it reposes, what are its merits, what its defects, and how its defects, if any, can be remedied.

Supposing you were visited by an intelligent foreigner who wanted to know something about Treasury Control, an experience which frequently happens to myself—the last instance was that of the Chief Justice of the Supreme Court in Pekin, who had formerly been Minister of Finance in China, and who came to me with a letter from one of the French financial experts asking for a little conversation about financial questions. What happens on such occasions is—one is generally restricted to the French language—your visitor says “Oh, well, the Treasury, *La Trésorie*, that is, I understand, where the revenue, the public treasure, is deposited.” “No,” we say, “that is what we call the Exchequer.” “Ah, well, control is the same as the French *contrôle*, which is carried out by the *Cour des Comptes*, which checks and examines the accounts,” and you say “That is a separate and independent department called the Audit Department.” Then he asks you whether, after all, the Treasury is the Ministry of Finance, and if you are incautious enough to tell him that it is, then he is hopelessly muddled and bewildered, because, so far as I am aware, there is no Ministry of Finance anywhere in the world which attempts to exercise what we call in this country Treasury Control. That at once raises the question if Treasury Control is a peculiar excrescence upon our Ministry of Finance without a parallel elsewhere, is there any reason or justification for it, and if other countries can get on without it, why should we have it here?

Finance is sometimes defined as “the art of providing the means of payment.” I think that a very imperfect definition. If that were all that finance meant, then our Ministry of Finance would merely be concerned with raising adequate revenue to meet the requirements of

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government. Treasury Control would be outside its functions altogether. When Lord Haldane's Committee on the machinery of Government was sitting, one of the members put precisely that question to me—wrote privately, sending a number of questions, explaining that they were sent to me indirectly, unofficially, because the Service members of the Committee thought that questions ought only to go through the chairman or secretary when they were addressed to the highest officials in the State. If I had had a proud stomach I might have replied that I did not think my standing was sufficiently high to justify my professing an opinion on those questions, but I possessed one characteristic of the greatest civil servant who ever lived—the man Moses was very meek—so I replied as best I could to those questions, of which the first was, "Ought not the Treasury to be restricted to the duties of raising sufficient public revenue, leaving the spending of public money to the responsibility of the various departments?" Well, I answered that by saying that Lord Welby once said that if you are responsible for keeping a certain head of water in a reservoir, you must have some control over the sluices by which it is drawn off, or else your efforts will be rendered nugatory. Mr. Gladstone defined expenditure as the most important part of finance. Although we know him chiefly as a doughty warrior on the side of revenue reform, yet he considered expenditure to be the most important part of finance; and the control of expenditure, even though it be peculiar to our British Treasury, does not seem in itself to be an unnatural attribute of the Treasury. It is not making too large a claim when it professes to have a right to check the expenditure of public moneys.

There is a further reason for Treasury Control as we know it, whether it come under that name, whether it be exercised by the Treasury or not, and that is the necessity for some great centralizing power in a big public service which cannot allow every other department to do as it pleases, to regulate the conditions of service, the hours of sick leave and annual leave, and wages and salaries of people in the departments from the highest to the lowest. If each department were allowed to be a law unto itself in those matters, you would very soon have great discrepancies which would be provocative of great expense. Discontent in the public service is, I believe, almost always relative rather than absolute. Few public servants feel discontented merely from introspection. If they find other people doing the same kind of work, possessed of no higher or better qualifications, and with no apparent justification for improved conditions, yet receiving higher pay or more privileges, then you beget something like an agitation for a levelling up. If every department were allowed to have a ration of its own and do what it chose with it, you would soon find that you would be piling up waste in attempts to level up the different departments one after the other and an unnecessary burden of expense on the taxpayer. I think the question how this

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function of ensuring uniformity throughout the service on broad matters is grappled with in other countries—whether by consultative committees or special bodies, or by the Council of Ministers itself—is eminently a thing for comparative study by your Institute, and you might make some helpful enquiries and turn to some useful existing reports.

Then there is the great question of economy, whether it is conceivable that you would be able to get along if you left each department to spend its own money without Treasury Control as satisfactorily as you do at present. Lord Haldane's Committee upon that point said experience seems to show that the interests of the taxpayer cannot be left to the spending departments, that those interests require the vigilant supervision of some authority not directly concerned in the expenditure itself, but that such supervision was most naturally and effectively exercised by the department which is responsible for raising the revenue required. Lord Haldane's Committee thought that Treasury Control of the expenditure of the spending departments was something which was founded on reason, justified by experience. You need co-ordination throughout the public service, which can hardly be effected if each department is left to be a watertight compartment in itself, knowing nothing about what is being done in other departments. You would get overlapping, you would get waste, you would get an absence of co-operation, which is frequently productive of great expenditure. I could multiply from my own experience examples of absurd wastes of public money which have arisen here, in America, and in other countries where I have studied this question, owing to lack of co-ordination in the public service, and to the fact that one branch of the service does not know what another branch is doing—that one branch e.g. is buying Service stores while another is scrapping them.

We want some co-ordinating authority, some centralizing authority, and the question is, in exercising all these functions, whence does the Treasury derive its authority? I must tell you an anecdote. When I went to America at the end of last year, before I got off the *Aquitania* I was handed the *New York Times*, and on its front page it was announced that I was expected to land that day and address a great public meeting the next evening at a dinner to be given in honour of General Dawes. I had never heard of General Dawes, but he was the head of the Budget Bureau, and an agitation had arisen in the United States for some sort of Treasury Control, and so President Harding had set up a Budget Bureau, which was to supervise the preparation of the Estimates and the demands of the various departments before they were submitted to Congress, and to make enquiries with a view to economies. The next evening I went to this banquet at the Waldorf Astoria Hotel, which was crowded to its fullest capacity with bankers, great industrial magnates and their wives and daughters,

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and representative people to the number of some 3,000 or 4,000, and after a dinner, such as you get in prohibition countries, General Dawes walked up and down the platform, stamped, beat the table, and gave us an account of his last great struggle with the Secretary of the Navy. The Secretary of the Navy, one of the Cabinet—the five or six people who assist the President and are the highest officials in the State—had been asked to take 300,000 dollars off his budget, and he had sent General Dawes a very curt refusal. Therefore, said General Dawes, “I sent for him to come to my office. I did not go to his office, and as he came in I said, ‘What about this reduction in your estimates,’ and he said ‘Well, Dawes, I have a responsibility for the efficiency of the Navy, and I am not going to divest myself of it or to be dictated to by anyone about the duty which I owe to the people of the United States.’” Then Dawes said “Let me remind you that the President of the United States is Commander-in-Chief of the American Navy, and that if he tells you that you have to take 300,000 dollars off your budget, you have to take them off or go. Will you go on the mat with me before the President on that issue?” The Secretary of the Navy, who was not very inclined to do so at the moment, took his papers away, and wrote a memorandum to the President, and Dawes said, “Next day I heard that the President had agreed with the Secretary of the Navy, less 300,000 dollars.”

I tell that anecdote to this Institute audience in order to compare it with the fact that when the Geddes Committee recommended a great retrenchment in the British Navy, the Board of Admiralty strongly resisted any suggestion of the kind. I have been given to understand that they ferreted out the Letters Patent creating the Board of Admiralty, and they found in them some words to the effect that the King entrusted the efficiency of His Navy to the Lords of the Admiralty. That was a sacred trust they were not disposed to lay aside at the suggestion of Sir Eric Geddes or the Treasury or anybody else. They were responsible for the Navy, and they must have the capital ships they wanted. Now there you had a similar situation. How it eventually ended, so far as discussion was concerned, I am not aware; but if the views which were generally held in the Treasury when I first joined it are still held, the case might have been put very much as General Dawes put it in America. That view was that you cannot find this controlling power of the Treasury in any statute or in any law book, any decision of the judges, but what it really rests upon is the Royal Prerogative. All the public money which is voted in Supply is granted by express vote of the House of Commons “That a sum not exceeding so many pounds be granted unto His Majesty for the use of such and such a department.” That money is the King’s money, it is paid into the King’s Exchequer; it is not issued out of the King’s Exchequer without the Royal Sign Manual with the authority of the Auditor-General,

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and the King claims the right through the Treasury to follow the expenditure of that money, and to say to His servants at the Admiralty or elsewhere " You cannot have so much money," or " You must make your money go further, or spend it in another way." The theory upon which all that rests is that the Letters Patent which constitute the Board of Treasury put into commission the Royal Prerogative so far as financial matters are concerned, and therefore when the Treasury says " You must take this off your budget, or you cannot do this, that or the other," it is really speaking in the name of the King, whose money it is, and therefore it is the supreme constitutional authority upon the question. I only throw that out to you again as a question upon which the younger members of your Institute may engage in research, may criticize or confirm, as the case may be, but that is what in my young days at the Treasury at any rate, was supposed to be the foundation of the claim to Treasury Control.

Time does not allow me to range over the whole field of Financial Control—to discuss in what ways the Treasury is limited, how it stands, as it were, in the middle of the map, while the Cabinet Control (the Chancellor of the Exchequer, being, of course, one of the Cabinet), the House of Commons Control, the Estimates Committee Control (or attempt at control), the Audit Office Control, and Departmental Control, each have their place. The control which the Treasury exercise is in some respects affected by the action of authorities superior to itself. The Cabinet is responsible for many decisions which the Chancellor of the Exchequer and the permanent staff of the Treasury must deeply deplore, but by which they are bound. My first experience in the public service was as private secretary to Mr. Algernon Turnor, who had in his time been private secretary to Mr. Disraeli at the Treasury. When Mr. Disraeli first took office he said to him " There is one thing I want you to understand clearly : The Treasury, under Gladstonian influence, is imbued with a dreadful spirit of economy, and they will come here asking us to agree to cut down various sinecures with four-figure salaries, and I want you to understand this, that so far as patronage is concerned, I give up nothing. The Government of this country cannot be carried on without a number of sinecures over £1,000 a year." There it will be seen how Treasury Control is as it were nipped in the bud, and that the cheese-paring Secretaries of the Treasury of those days found themselves stopped at the very beginning by a power which was superior to their own.

The experiment has been tried of planting out Treasury watchdogs in different departments—the case of Mr. Algernon Turnor was one—it has been tried in Egypt and other places, but very seldom has met with such success as to justify your reposing great hopes upon this form of Treasury Control. Such an official naturally soon loses touch with the Treasury, the parent department ; he is viewed with some suspicion

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in the department in which he is planted, almost as a spy and stranger, while in the Treasury itself he is regarded as being far too prone to champion the claims of the department of which he is beginning to learn something. Less is to be hoped for from experiments of that kind and from Treasury Control, so far as it is carried on by correspondence, or by special committees, than by inspection. At Harvard University one of the professors told me that a young man had come to him and said he desired to take up the study of economics. The professor asked him what branch of it he would like to pursue, and he replied that he did not know anything about that, but he understood that economics would help him to get the maximum amount of work out of a man at a minimum of expense. When he was disabused of that idea he went away exceeding sorrowful for he was the son of one of the great industrial magnates of the country. Any system of Treasury Control which attempted by the most up-to-date bureaucratic, scientific, statistical cost-accounting methods to extract out of members of the Civil Service the utmost amount of work they could give at the very minimum of cost would be deservedly doomed to failure. It does not pay even to treat a horse on that basis, and it would be extremely unintelligent if the Treasury attempted to do anything of that kind by means of Treasury Control. Correspondence conducted within the four walls of an office, frequently with very inadequate information upon the subject matter of the correspondence, is not a very perfect method of Treasury Control.

In the last two years the reports of the Geddes Committee and the Anderson Committee raise a very strong *prima facie* case of waste, bad management, bad administration, lack of co-operation throughout the Service—not the fault of the people in the rank and file—there they have to do as they are told—not always, if you like, the fault of those heads of affairs who have no knowledge of the existence of the state of affairs which calls for remedy, but the absence of such information as would throw light upon waste, loss, and bad management. Correspondence can seldom do more than provide you with a sort of *prima facie* case for a particular expenditure, just as a Grand Jury passes a verdict upon a Bill in regard to the charge against a prisoner, whether there is or there is not a true Bill, or sufficient case made out to send him for trial or not without going into minute detail—so Treasury Control really means very little more than that the Treasury is satisfied that there has been a *prima facie* case made out for the expenditure proposed. Sometimes it is impossible to make out more than a *prima facie* case. You may be asked to undertake some new duties imposed upon you by Act of Parliament, and it is a speculation as to the staff you require, but one of the great difficulties in our financial control is that financial expenditure having once been sanctioned, there is no adequate machinery for pruning out what has become obsolete or proved to be unnecessary, or for discovering

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where half a dozen men are employed when four or five would do. The Audit Office, of course, constitutes a formal check, but such questions are not within its province ; they do not "arise out of the accounts," it is not a matter upon which the Audit Office feels justified in proffering an opinion. The Public Accounts Committee, the Estimates Committee, the other Committees which the Government sets up, cannot probe to the rock bottom of things, but are more or less at the mercy of expert witnesses who are able to answer their questions without committing their departments to any serious disclosure. I feel more and more convinced every day that the most efficient—perhaps the only true and efficient method of financial control is that of personal visitation, personal inspection on behalf of the Treasury of the various departments by some officer, who would go with the authority of the Chancellor of the Exchequer, who would look round, who would make enquiries, who would put small samples of test cases under the microscope, who would not require the colossal complete cost-accounting system for a whole department, but would put a particular piece of expenditure under an *ad hoc* cost-accounting examination. I do not need to enlarge upon these things, because I have already, in 1917, written a little book on "National Economy" in which you will find six lectures on the subject ; but when the Select Committee on National Expenditure made a serious effort to grapple with these things, they asked Mr. Speaker Lowther to come and give evidence before them, and he told them that what the House of Commons needed above all things was a watchdog of that character who should stand in the same relation to it as the Comptroller and Auditor-General does in relation to the formal examination and audit of accounts, and would report to it any examples of waste or mis-management or bad organization. Sir Henry Gibson, one of the ablest of our line of Comptrollers and Auditors-General, after long experience, wrote to *The Times* on the 15th May, 1923, strongly urging that the new House of Commons should take action of that kind. He said that requests had been persistently refused by Mr. Austen Chamberlain on the ground that it would cost as much as the present staff of the Audit Office which examines the accounts of the whole country in more or less detail, and costs about a quarter of a million a year. Sir Henry says "I venture to assert that such an officer with a staff not exceeding in all a cost of £10,000 a year would bring about economies out of all proportion to the cost of his establishment." Then he goes on to say "The House of Commons should assert itself in this matter, and should no longer be contented with the threadbare excuses that such an officer would weaken ministerial responsibility and sap Treasury Control." Now those two great authorities have quite recently confirmed the view that what we want is knowledge—knowledge after all is the most essential thing in financial criticism. You cannot offer useful

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criticism unless you know the facts. I see very little opportunity of your knowing the facts so long as you merely have correspondence conducted from office to office or Committees sitting down calling witnesses before them. What is needed is personal individual inspection.

Lord Haldane's Committee deplored what they called the traditional attitude of antagonism between the Treasury and the other departments. I do not know myself that I have been particularly conscious of it, but there is no doubt that in many departments there are individuals who seem to believe in the Russian proverb "Whose bread I eat his songs I sing," and who think it is incumbent upon them as members of a particular department to show what they conceive to be their loyalty to that department by supporting it, right or wrong. Such a view I believe to be a thoroughly mistaken one. The loyalty of every citizen in the State is to the country at large. It is the country's bread that he eats, not the bread of the Ministry of Health or the Department of Agriculture or the Exchequer and Audit Department. If he finds something which he thinks it is in the interest of the country to point out, he ought not to be deterred from doing his plain duty by the feeling that he might be disliked in his own department, or might prejudice his personal advancement. That, of course, is still more true when you take departments collectively, and when you get one department very jealous of another department, very angry if there is any poaching on its preserves, upon which follows a barren interminable inter-departmental correspondence. All these things indicate a forgetfulness of duty to the superior authority, the public at large, and such an antagonism, as the Committee noted, if it exists at all, ought undoubtedly to be removed by the spread of a right feeling amongst civil servants of all ranks.

The Committee recommended that a consultative committee should be set up composed of six or seven members, heads of departments with representative experts from outside, more or less exercising the control which is now vested in or claimed by the Treasury. I have myself very little confidence in the operations of committees, and I think that all measures which are taken in the way of control, by Estimates Committees, by previous sanction of Exchequer issues, etc., although necessary and useful in themselves, are of far less importance than the examination of expenditure after it has occurred, that promises and performances differ very much from each other. Expectations may be very reasonable, and results may be very disastrous, and it is only by exploring results, by analysing actual expenditure, organized examination of the past that you are able to discover what is in need of remedy. Sir George Ryder, who was Estimate Clerk at the Treasury about the time I joined used to say that the true principle of estimating was to estimate liberally and to administer economically, not to skimp the amount that you put down in the estimates, either for window

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dressing purposes to make the Government appear to be more economical really than it is going to be, or in attempting to put pressure on departments to cut their expenditure down with the almost inevitable result that you get a litter of supplementary estimates. Mr. Gladstone said that one of the first principles in public finance was that the financial needs of the country should be set before the country in one total and in one mass at one time. I think the question how much you should allow various departments is of very much less practical importance than the question what they do with it when they have got it, and it is upon that point, I think, that as students of finance you would do well to concentrate your attention. I remember long ago a debate on India in the House of Commons in which one member waxed very indignant over what he considered to be the neglect of Indian interests by the British Legislature. He said we were responsible for these teeming millions of India, and that India had not got one single representative member on the floor of the House of Commons. Sir Henry Fowler, who was then Secretary of State for India, sprang to his feet and said "We are all members for India." I think in the same way members of the Civil Service, in whatever department they may be found, ought to feel that they are all members of the Treasury in respect of this duty of control, of effort to secure the best results for the taxpayer at the minimum of expense. Waste of public money is a thing which affects us all as citizens so fundamentally that the civil servant ought to feel highly sensitive about it. I give him a clear discharge from the indictment sometimes brought against him that he has a double dose of original sin. I hope it may be possible to pay him the testimony that he has a double dose of civic conscience.

# Financial Control Within Government Departments

BY SIR H. N. BUNBURY, K.C.B.

[*Being a Paper read before the Institute of Public Administration, 24th January, 1924.*]

ON thinking over the best way of treating the subject of these remarks, I came to the conclusion that the most useful thing to do would be not to attempt a complete and detailed account of the various systems of financial control within Government departments, either historically or analytically, but rather to examine the subject in the light of its more recent developments. Among those who are specially concerned with this subject there have been in recent years, especially since the war, many signs of the development of new ideas and of the modification of principles hitherto regarded not only as sacrosanct but also as all-sufficient.

On these lines therefore the following remarks have been prepared.

Before we proceed with our subject it will be as well to make some attempt to define our terms. The essence of "financial control," as I understand it, is that it involves giving to somebody the power of saying yes or no to something that somebody else wants to do. It may include (though it does not necessarily include) a power of initiative; it is the opposite of "financial responsibility"—a term which in common use means the responsibility for judging the financial aspects and consequences of the administrative action which the holder of that responsibility has in contemplation and for taking the necessary decision thereon. In brief, the essence of financial control is that it is external to the person or department to which it is applied.

As I shall refer frequently to economy, it may be as well to say that by economy I mean something almost indistinguishable from efficiency. It means, in the popular phrase, getting full value for money, with the underlying implication that that value is something which the tax-payer wants. It is the opposite of "waste."

Now financial control is frequently spoken of as though it were a thing good in itself: as though the more we have of it, and the more effectively it operates, the better. I propose in this paper to examine the subject from a different starting point: to assume that it is not in itself a good thing and may even be a bad thing: and to consider not how much of it we can secure, and to what extent we can increase its effectiveness, but rather with how little of it we can do, and what are the true limits of its activity.

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To avoid the charge of paradox let me hasten to state the grounds for this, as I believe, the truer view.

The object of all administrative action is to do the right thing at the right time with the minimum of human effort : and the object of all administrative systems, procedures and organizations should be to ensure this end. It is unnecessary to enlarge on the theme, for I suppose most of us would admit that the charge to which Government departments are most exposed is that they are rather slow, rather cumbersome in their methods, and liable to do the proper thing too late. And to say this is to admit the validity of the standard which I have just suggested.

Control is, however, essentially an obstacle to action, and to multiply controls is to multiply those obstacles. Let us take a perfectly simple illustration. If a proposal requires Treasury sanction it will frequently, for that reason, take some two or three weeks longer to bring it into operation, and it may not be brought into operation at all. If it requires Parliamentary sanction it will take longer still. Control cannot initiate or accelerate action : it is essentially a brake upon the wheel of the administrative machine. I do not say for a moment that the machine can do without all its brakes or any of them : my object is merely to establish the very obvious point that they do not at any rate directly operate to carry the machine to its destination, and that their use needs to be shrewdly and even severely limited if that destination is to be reached in proper time and with no more expenditure of energy than is necessary.

This having been said, I venture to hope that the charge of paradox may be reduced to the more venial one of platitude, and that what looked like a felony will now be seen to have been merely a misdemeanour.

The object then of this paper is to consider, as regards one type or grade of financial control, viz., that which operates within the departments, how far it should extend and how it should be exercised, consistently with administrative efficiency. In an audience such as this, it is unnecessary to describe in any detail either the history or the character at the present time of departmental financial control : these are within your knowledge. But before proceeding further with the actual subject of this paper it will be well to allude, very briefly, to those other financial controls which lie outside it, but to which it is necessarily related, and of which it must take cognizance. First, then, *financial control by Parliament*. Parliament represents the taxpayer : Parliament votes the supplies and provides the ways and means : clearly Parliament has every right to say how—upon what services and under what conditions—they shall be spent. It may be that in certain respects, Parliamentary control over public expenditure legislates for conditions that no longer exist—that here and there is dead wood which might with advantage to the public be lopped away, and that in other respects the control by Parliament might with advantage

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be developed and strengthened. But all this is outside the scope of this paper, and it is sufficient for present purposes to say merely that Parliamentary control through the Estimates, through the Public Accounts Committee, by resolutions of the House of Commons, and by questions to Ministers is a factor which has greatly affected departmental arrangements, which is one of the guarantees of civil liberty and which demands the loyal respect of the public services.

Secondly, *Treasury control*. This, whether it rests on the prerogative or on Section 27 of the Exchequer and Audit Departments Act, 1866, or on the former fortified and made concrete by the latter, has a most material bearing on our subject. Here, again, it would be legitimate, on another occasion, to enquire whether Treasury control as hitherto exercised is a perfect instrument for the purposes it serves, under modern conditions. But at any rate it is clear that the department which has to prepare the Budget must have a dominant voice in the expenditure for which that Budget provides : and that some one department must have authority to impose financial standards, rules, and limits in matters common to many departments. For the moment, I must only permit myself two general observations : first, that Treasury control and departmental control should be complementary to each other and not a mere duplication of the same process : and secondly, that in ordinary conditions the strength of the Treasury lies not in its powers but in the wisdom, judgment, and imagination with which they are exercised.

But, as the volume and complexity of public expenditure have grown, those who study these matters have come more and more to hold that the external controls of Parliament and the Treasury are, and must be, effective rather in securing regularity than in securing economy. The realization of this truth has proceeded very rapidly in recent years. There is a host of witnesses : two must suffice.

"The attitude of the officer who really controls expenditure on the circumference, and what reduction he makes in it, is the central pivot of the machinery for the control of public expenditure. If you do not get that atmosphere right and that willing co-operation on the part of the officer who really handles the expenditure, if you fail to get that, you then get a pure formality of control of expenditure which is not economy at all. You get expenditure conducted strictly in accordance with regulations, and some of the things I have seen, some of the most hideous waste I have ever seen in connection with public expenditure, has been absolutely and strictly in accordance with regulations. The general idea that expenditure must be controlled by a series of inhibitions rigidly laid down and a continuous centralized stream of negations—' You shall not do this—you shall not do that, and you shall not do the other thing ' and so on, has a most depressing effect : it takes all the faculty of contrivance and all the desire to save out of the

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minds of the officers who are really conducting your expenditure." (Sir Charles Harris, before the Public Accounts Committee, 1921.)

"With the growing volume, elaboration, and technicality of the work of government, it is to the expert and semi-independent financial branches of the great departments that the public must look for its substantial protection against waste and loss. External and therefore comparatively inexpert guardians, such as the Auditor General, the Public Accounts Committee, and the Treasury, high as the value of their work undoubtedly is, and essential in the legal scheme of appropriation, in the practical matter of enforcing economy in administration can only supplement the work done within the departments themselves." (Hilton Young, *National Finance*, pp. 184-5.)

Indeed, it is inevitable, from the nature of the case, that this should be so. Parliament can only deal with the financial demands of departments in a very general way. It can lay down rules, it can sanction totals : but into the day to day work of the departments it has few effective means of entering, nor is it well equipped to enter. The Treasury, from the nature of its position, is apt to concentrate on the things which require Treasury sanction—the new services, personal remuneration, and matters of regularity and order : it has no means, nor could it without great inconvenience be armed with means, for controlling the things which do not require Treasury sanction or which have it already.

What then are the duties of the departments themselves in respect of the moneys entrusted to them. They are, I think, these—

FIRST. To render true and adequate accounts.

SECOND. To secure the due observance of the conditions imposed on them with regard to the regularity of their transactions, and the expenditure of the grants in accordance with the appropriation thereof by Parliament and with any conditions imposed by the Treasury.

THIRD. To make such arrangements as will ensure that the money is expended in the most economical way.

The first duty, it will be observed, describes the functions of the Accounting Branch of the department : the second describes what is, in practice, the special and peculiar responsibility of the Accounting Officer. The third duty brings us into a region where the lines of responsibility are far less clearly defined, where practice and opinion vary, and where finality has in all probability not yet been attained.

It is with the third that we are chiefly concerned this evening.

The preparation of the Parliamentary accounts, in the form prescribed by the Treasury, and the elaborate machinery which has been devised to secure that Parliamentary grants are applied to the purposes for which they were intended to provide, and that the financial rules laid down from time to time by Parliament and the Treasury are observed—all these things still operate, in practice, mainly in the region of regularity. It has

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even been maintained by high authority that "the Accounting Officer except when he was the permanent head of the department" (i.e. the Accounting Officer *as such*) "has had no responsibility except for pure regularity." (Sir Warren Fisher, before the Public Accounts Committee, 1921.)

By what means then is the department to secure this economy in expenditure?

The object will not, I think, be gained by imposing inhibitions alone or by separating financial from executive responsibility. On the contrary, all experience goes to show that we need to develop more, not less, of the money sense in the administrative officials whose operations directly or indirectly lead to the extraction of money from the pockets of the taxpayer.

The solution lies, I think, in the development of a system based on such principles as the following—

1. Officials who are responsible for administering services should know continuously in terms of pounds, shillings and pence the cost to the taxpayer of what they are doing.

2. Advice on the financial aspect of what they are doing, and of the things they propose to do should be readily available to them and should be freely sought.

3. So much financial control (and no more) should be imposed upon them as experience shows to be profitable.

These principles do not need much explanation; to those who are familiar with the changes in the army financial system which will always be associated with the name of Sir Charles Harris, they will wear a familiar aspect. I believe that they go to the root of the matter. Administrators have to be taught to think, and to go on thinking, in terms of pounds, shillings and pence. They have to be shown that their financial critics are not enemies to be avoided, but friends and helpers to be used: that in the last analysis the object of both is the same, viz., the performance of the work of the department in such a way as is most in the public interest.

Let us examine these conceptions a little further, in the light of existing departmental arrangements. How do they bear on the function of accounting departments; on the position of accounting officers; on the somewhat controversial question who, in the larger civil spending departments, should be the Accounting Officer?

In the first place, they would involve some development of costing and statistical accounts, such as has taken place in the army. "There is no machinery for the control of expenditure except accounting," says Sir C. Harris (P.A.C., 1921, 6,620). This development might, and it is to be hoped would, make it possible to simplify materially the purely Parliamentary accounting system, or so to modify it as to make the accounts more informative for departmental purposes. It is impossible

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to dogmatize on a subject which would need investigation department by department and service by service, but that there is a field for such investigation I do not doubt.

In the second place, they imply the scrupulous carrying out of the instruction contained in the *Treasury Circular* of March, 1920, that questions involving finance should be referred *at an early stage* to the Finance Branch of the department.

This should mean much more than the consultation of financial experts on new proposals : it implies a constant and close co-operation between the administrative and financial departments : the scrutiny in terms of money not only of services not yet begun but, even more important, of services that have been in existence for many years. It will demand in a financial officer initiative on the one hand and restraint on the other : initiative, because he will sometimes, on the strength of knowledge drawn from the accounts, have to suggest investigation and offer criticism, without waiting to be asked to do so : restraint, because he will always have to remember that the administrator, not he, is the judge of policy : that his position is fundamentally that of adviser and that his advice must carry conviction by its intrinsic value rather than by its authority.

Further, if these principles are accepted they will, I think, throw some light on the rather vexed question of the Accounting Officer, especially in the large Civil departments. With these ends before us it is evident that the Accounting department will need the continuous general support of the permanent head of the department if full use is to be made of the information and advice which it can give. On this ground alone therefore the bias should be in favour of assigning to the permanent head of the department those personal responsibilities which attach to the Accounting Officer. The possession of those responsibilities, as it were, rounds off his position. It may, however, in the case of large Civil departments, which have heavy burdens of administrative as well as of financial work, not be possible to make this arrangement without placing an undue burden upon the permanent head and thereby making the Accounting Officer's responsibility comparatively ineffective. This consideration has been fully recognized both by the Treasury and by the Public Accounts Committee. In such cases recent practice has tended in the direction of retaining the head of the Accounting department in the position of Accounting Officer but, with that, of assigning to him an administrative status and administrative powers ; he becomes in effect the immediate assistant for financial business of the permanent head. He is no longer an external and semi-independent critic, but rather a co-adjutor.

But what about control ? To what extent (for this is what it amounts to) is the concurrence of the financial branch to be necessary before expenditure can be incurred ? To what extent is the voluntary provision

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of financial information and advice to be supplemented or superseded by a compulsory financial control within the department itself?

No general answer to this question can, as I have already indicated, be given. All depends on the character of the department, the nature of its activities and, I venture to think, the nature of its traditions, and the quality of its personnel. In some cases it may be enough to lay down the obvious fact that officers who incur expenditure without taking financial advice do so at their own risk. In others it may be necessary to make reference to the financial branch compulsory. In others again—especially in the small administrative departments—it may be better to confine the financial branch to account keeping and to place definitely upon the administrative officers themselves the responsibility for informing themselves of and taking into full consideration the financial bearings of their activities. What is essential is that the subject should be carefully examined and thought out and a definite procedure laid down.

The reflections upon the subject which I have submitted to you have, I am well aware, been of a very general character. They are intended rather to indicate lines of enquiry than to furnish positive solutions. Let us attempt to summarize them.

We have, I think, seen—

1. That between control from without and responsibility from within there is a fundamental difference: that both are, in their proper degree, necessary, but that control, which tends to delay action and to weaken responsibility, should be carefully restricted and is certainly not a complete solution of the problem of securing economy.
2. That regularity and economy are two different things, and that systems of external control tend to concentrate on regularity rather than economy.
3. That the methods of securing economy by internal organization have not yet reached the stage of a settled and accepted body of doctrine and are worthy of further study; this applies particularly to the use of suitably designed accounting systems.

One general observation may, in conclusion, be added. Systems are useless without the right men, informed by the right spirit, to work them. Economy, in the last resort, can only be realized to the full by economically minded men and women, and no compulsion control or inhibition from without can be an adequate substitute for that.

## Control of Expenditure Within Government Departments

BY SIR GILBERT GARNSEY, K.B.E., F.C.A.

[*Speech from the Chair at the meeting of the Institute of Public Administration on 24th January, 1924, during the discussion of the Paper read by Sir H. M. Bunbury.]*

THE control of expenditure in Government departments is directed largely to provide evidence that public money has been expended on the purpose for which it was voted by Parliament.

The Budget sets out *inter alia* the estimated cash payments for a financial year and as a result, so far as expenditure is concerned, the departmental accounts and control developed naturally under the heads and sub-heads of the Budget. The main purpose of the account is to show the actual payments under the same heads as the Budget, and as regards control the chief aim is to show the legitimacy of the payments made.

The form of accounts was credibly stated to have been derived from the predilection of Charles II for securing votes for naval expenditure but devoting the proceeds to more personal uses. The accounts do demonstrate due appropriation and honesty in disbursement, but taking the Government departments as a whole, little control or record exists for evidencing efficiency or the lack of it with, perhaps, certain exceptions which it is not my purpose to go into now.

In the great spending departments there are, I believe, subsidiary accounts of stores in terms of quantities only, but these are kept and controlled always for the purpose of exhibiting evidence of the legitimate use of the taxpayers' property, usually on the basis of stereotyped regulations.

The stores purchased and paid for in a financial year are, generally speaking, charged as expenditure on stores for that year regardless of the purpose for which they are used or of the dates of issue.

It is said there is no reason to change this system since the requirements of industry, which accounts are devised to meet, are not predominant in the conduct of Government affairs. For example, where much of the expenditure is in the form of pay it is naturally accounted for merely by a cash analysis: materials are largely purchased from private firms and only to a small degree manufactured, and thus quoted prices test economy and quality is best revealed by physical tests.

So far as Woolwich and a few Government factories are concerned, economy is not the only nor perhaps the governing factor. They are an insurance that knowledge of armaments and methods of manufacture are

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preserved to the nation even through a long peace, and that experiment and progress are maintained.

In a few departments, e.g. War Office and Post Office, balance sheets showing the assets and liabilities of the departments or of sections of the departments, are prepared, but with these exceptions there are, I believe, no published statements of assets and liabilities or for that matter any records kept of the values of property owned by any of the Government departments.

The parliamentary method of making grants to meet net cash payments has become so familiar, not only to departmental and Treasury officials, but also to members of the House of Commons, that it is open to doubt whether many of them have any appreciation of the value of the balance sheets that are placed before them, or can appreciate that Government is possessed of assets of intrinsic value, the proper safeguarding of which calls for careful attention in the interests of economy. Can there be any doubt that the scrutiny over a period of years of the increasing capital expenditure on many classes of assets which would be disclosed by proper balance sheets would lead to even closer investigation of the necessity for the demands of departments?

Parliament votes under certain heads the sum which each department is allowed to spend, and a department is not permitted, except with Treasury sanction, to utilize any saving under one head to meet an excess of expenditure under another head. The chief departmental consideration is to show that the expenditure does not exceed the sum voted, and consequently comparisons of payments with the estimates sanctioned by Parliament are made from time to time in order to ensure that the rate of payment is not in advance of the estimates. It sometimes happens that the rate of payment is below the estimates. If this should continue it might be that the total payments for a financial year would be less than the departmental vote, and in such a case, the department would not be allowed to spend the balance in a subsequent year but would have to surrender the surplus. In addition it might be that as a consequence the estimates for that department would be subject to closer scrutiny and perhaps the vote reduced in a subsequent year.

This is responsible for the indecent haste shown by some Government departments during the last month or so of the financial year to spend up to their limits under each head and so avoid the necessity of surrender and possible criticism.

Is it maintained that in such circumstances that control in Government departments makes for economy?

The Comptroller and Auditor-General does raise certain criticisms of expenditure, but these criticisms practically always deal with specific items of expenditure, which, from the departmental papers of which he has the perusal, are palpably wasteful, extravagant or nugatory. So

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long as the accounts are prepared on the present subjective basis, criticism will continue to be possible only in isolated cases, and on such criticism only will Parliamentary control be founded.

All vote heads and sub-heads (the War Office is now an exception) are designed to record the payments according to the "subjects," that is, all payments for stores, salaries, etc., are recorded under these headings, and the accounts do not in any way show the "objects" on account of which the payments have been made. It is, I think, a matter for serious consideration whether the control now exercised by the examination of payments under subjective heads is as efficient as would be a control exercised upon the objective basis, which would entail the examination of the total expenditure upon the services or upon the various sections of the services rendered by a department quite apart from actual payments made.

The net cash payments of a department in any one year do not necessarily give any indication of the true volume of expenditure during that year, because, on the one hand, they may include payments for stores which have not been consumed during the year, while on the other hand they do not include anything for stores, etc., which have been used but which were not paid for during the year. It would therefore be obviously ineffective to control the expenditure upon the objective basis just as at present it is inadequate to control it upon the subjective basis, until it is possible to make the records show not the net cash payments during a period, but the true expenditure incurred during that period.

"Expenditure incurred" does not include payments that have been made in settlement of services that were rendered, or stores, etc., received and used during the previous year, but it does include the values of all salaries and wages earned, all stores, etc., used, and all other expenses incurred—not necessarily paid, but which are truly applicable to the period under review.

That may seem to be an ideal that is very difficult of attainment, but that it is feasible is proved by the fact that the army accounts are now prepared upon the objective basis and when fully developed will include the true expenditure incurred for each financial year. Certain consequential executive changes may be found necessary before the full benefit will accrue from this change, but there can be no doubt that the recording of expenditure in the army upon the objective basis and comparison of expenditure upon a productive service with the value of that service has already resulted in greater economy than would have been possible under the old system of control. Under that old system comparison was only made of the payments shown in the accounts under a subjective head with the amount contained in the corresponding head of the estimates.

The change-over in the army to a system of accounting upon an income

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and expenditure basis is worthy of special mention as a bold experiment which has proved its worth, not only in the control of expenditure as it was hitherto understood in Government departments but also, which is more important, in the promotion of economy. It is suggested that the experiment is one which might with advantage be tried in other departments.

The maintenance of accounts of true expenditure (as distinct from cash payments) is the method adopted by all commercial undertakings, but it has been adopted by them not because they *are* commercial undertakings but because that is the correct form of account.

It is true that the analogy between a Government department or the Government as a whole and a commercial undertaking is not complete and never can be complete, because whereas a commercial undertaking is run to make profits, Government departments on the whole are run to provide services which involve the spending of money without the incentive to economy which is ever present where it is necessary to earn dividends. The absence of that spur is, however, an added reason for the maintenance of accounts which will show the true cost of the services rendered and which will make possible a comparison between the cost and the value of the services, as well as the cost of one period with the cost of other periods.

Under present procedure, even if it were possible to pay during each year the whole of the expense incurred in that year, it would rarely be possible to show the whole of the true expenditure of a department because there are what might be termed General Service departments of Government, which render services to most other departments without any inter-departmental accounting for the cost or value of these services. Because of this there will always exist the risk that these General Service departments will exceed their estimates owing to the unforeseen demands made upon them by other departments.<sup>1</sup>

<sup>1</sup> In support of his main thesis, Sir Gilbert Garnsey read a number of interesting quotations from statements made by Sir Charles Harris, Lord Olivier, and Sir John Bradbury at various times. These are reproduced in "The Forum" of this Journal.

## The Exchequer and Audit Department

By A. T. V. ROBINSON

[*A Paper read before the Institute of Public Administration 28th February, 1924*]

ON the abolition of the old Commissioners of Audit, the Exchequer and Audit Department was created by an Act of 1866, and its statutory functions remained substantially unchanged for a period of over 50 years until in 1921, when the new Act gave *de jure* recognition to various modifications of the original scheme, some of which had *de facto* obtained for at least half the lifetime of the department. The predecessors of the Exchequer and Audit Department provide ample subject matter for an historical essay, but we must dismiss them somewhat summarily here : the more practical aspects of the question we can conveniently deal with in connection with the 1866 Act itself : while the 1921 Act may serve as a text for some speculation as to possible future developments.

At the outset we must recall that financial control to-day generally connotes control of expenditure ; but the conflict for control of taxation had first to be fought and won. You remember that in the Norman period, the King as the great landowner had the title to the services of all his subjects, and the incidence of the burden of the royal prerogative was as uneven in those days as was the call for services during the recent war. Incidentally, it may be mentioned that the King's Peace and the King's Justice were perhaps the only return that the subject got. The services were gradually commuted for money payments, and while the application of service was a matter of intimate personal experience to the subject, the application of the commutation payments was less certain. In time the pre-Norman representative institutions developed into the first model Parliament of Edward I which, in 1297, confirmed the principle of no taxation without Parliamentary consent. That principle had, however, to be re-affirmed many times until it found its final confirmation in the Bill of Rights of 1689. But before that date we can trace the new current of "Appropriation" control. Owing to Stuart diversions of Parliamentary grants from public purposes to more personal intimacies, the Parliament of 1665 made a strong attempt to establish control over their grants, and laid down that a grant of £1,250,000 should be appropriated definitely for the purposes of the Dutch war, and for no other purpose. Hallam remarks that since that date this "undisputed principle" has been "recognized by frequent and, at length, by constant practice." The Exchequer and Audit Act of 1866 not merely recognized appropriation of grants for particular purposes, but also, as we shall

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see afterwards, their assignment as the responsibility of particular ministers.

Meanwhile accounting and audit control had been gradually developing. I am not going into details as to the Auditor of the Exchequer, who first appears in the thirteenth century, beyond saying that he audited the accounts of "The Keeper of the Wardrobe," but in 1406 Parliament definitely demanded from Henry IV that all moneys granted to the Crown should be subject to audit. In the reign of Elizabeth we find two Auditors of the Imprest; your mouths will water when you hear that the salary of one of the principals is shown in 1783 as £16,000 a year. Out of that, however, he was required to pay for "clerks, house rent, pens, ink, paper, and parchment." Samuel Pepys, in his diary, while he was Secretary for the Affairs of the Navy, remarks on the very strict scrutiny which the Audit Commissioners made into the minutest particulars of navy expenditure. There were a score of other auditors, such as the Auditor of Excise, of Land Revenue, of Irish Accounts, and West Indian Accounts; there were also comptrollers of army accounts; but throughout the whole of the eighteenth century auditing was intermittent, and in the words of a Parliamentary paper of 1863, the House of Commons indeed "possessed the right of controlling the appropriation of Parliamentary grants, but it had no means of intelligently exercising that right."

In 1832 the First Lord of the Admiralty, Sir James Graham, carried through a Bill authorizing the Commissioners of Audit to examine the accounts of naval expenditure side by side with the Estimates which had been put before Parliament. "I propose," he said, "to convert a nominal into a real responsibility on the part of the Admiralty and a nominal into a real and efficient control on the part of the House of Commons." Fourteen years later the same requirements were extended to the Army accounts and to the Woods and Works accounts; and the whole position was very fully reviewed by the Public Monies Committee in 1857, who substantially drafted the 1866 Act. The appendices to their reports are a mine of information on the subject, and they prove clearly how far-seeing were those who drafted the Exchequer and Audit Act. There was a slight hitch in bringing in the Act owing to a change of Government. The Act merged the dual offices of the Comptroller-General of the Exchequer and the Board of Audit; the Chairman of the Board of Audit had himself been appointed Comptroller-General of the Exchequer a year or two before.

I pass over the details of the history of the Exchequer Office, closely linked with the Treasury and Paymaster-General of to-day. I must, however, refer to the requirement of the warrant of the Comptroller-General for the release of any moneys for the Exchequer. The power to refuse to place supply at the disposal of the Executive Government

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was in fact exercised by Lord Grenville who, in 1811, refused a credit of £500,000 owing to the absence of the proper authority from the Crown, pending the operation of the Regency Bill to provide for the government of the country during the King's incompetency. Again, in 1854, Lord Monteagle, refused to grant a credit for a particular salary on the ground that the officer's patent had not been submitted for enrolment at the Exchequer Office; and he had to wait for a year before he drew any salary. The 1866 Act, like the preceding Acts, required the Comptroller and Auditor-General to be satisfied of the correctness of the Treasury requisition before granting to the Treasury any credit on the Exchequer Account at the Bank of England, but it does not appear from the available public records of this country that this power of refusing to release funds from the Exchequer has ever been exercised since 1866. The power was, however, successfully claimed and exercised less than 20 years ago by the Auditor-General in one of the Dominions. The Government had failed to pass the Budget, and funds were not legally available to pay salaries and wages after the 1st April. On the analogy of sections in the Imperial Act (which were not in fact reproduced in the Colonial Act), the Auditor-General placed an embargo on the State Banking Account; and to remove the deadlock, the Governor-General took the practical step of virtually locking up the Leader of the Government and the Leader of the Opposition in a room together until they had reached a *modus vivendi*. The power which the Auditor-General had, with such healthy results, but without statutory sanction, arrogated to himself, was, if my memory is correct, formally conferred upon his office by subsequent legislation.

We pass now to the position as it stood after the passing of the 1866 Act. The committee of 1857 had learned the lesson that "appropriation of a grant" is in itself no safeguard that the money will be expended in accordance with the terms of the trust. They recognized that the best stimulus to the weak conscience of a trustee is the knowledge that he will be called upon for an account of his stewardship. They provided, therefore, that that account, with the report of an independent judge, should be published for the common information of all, but especially for the information of those from whom the trustee might ask for further grants in future years. The committee retained the so-called "control of issues"; but their reports show that its inadequacy was realized by them far more clearly than by many subsequent generations of legislators and administrators. We may therefore give priority to the audit sections of the Act, and these we may consider in three groups: first, the conditions of the Parliamentary grant; secondly, the character of the Auditor-General's audit, and thirdly, provision for publication of his report.

It is of paramount importance to remember the terms of the legislative

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Act by which Parliament votes money for Supply Services. The Annual Appropriation Act reads as follows—

The Treasury may issue out of the Consolidated Fund . . . . and apply towards making good the supply granted to His Majesty for the services of the year ended .....the sum of £.....

All sums granted by this Act . . . . are appropriated . . . . for the services and purposes expressed in the schedule annexed hereto.

The Address from the Throne has warned the Commons that they will be asked for supplies ; and ministers on behalf of the Crown, have presented more or less informative estimates of the amounts required. After due discussion and various resolutions, the Appropriation Act formally authorizes the Treasury (that is the Chancellor of the Exchequer acting as the Crown's representative) to draw the authorized amounts from the Exchequer. But Section 23 of the 1866 Act takes us a step further. It directs that the Chancellor's Department shall determine what department, and what officer of the department, is to prepare the account of each supply grant ; and we may fairly find in this section confirmation of the doctrine of ministerial responsibility which makes some individual minister responsible for every supply grant, without detracting in any degree from the corporate responsibility of the Crown's ministers as a whole.

The expression " Accounting Officer " does not occur in the 1866 Act, but the term indicates the officer, normally the permanent secretary of the department concerned, who is nominated by the Treasury under this section as the officer to prepare and sign the appropriation account of the Supply Grant administered by his department. As Colonial Secretary, Mr. Joseph Chamberlain insisted upon having his own signature appended to the appropriation accounts of the Colonial Office Votes in addition to that of the designated accounting officer ; and there appears to be no exact or scientific line of demarcation of responsibility between minister and accounting officer. But the absence of philosophic definition troubles us little in this practical country. Almost every decision of policy is somehow reflected in expenditure, but in practice there is rarely any doubt as to whether a matter is one of major governmental policy to be defended on the floor of the House of Commons, or a matter on the departmental plane to be defended by the accounting officer upstairs in the committee room. It is, however, clearly laid down by Treasury minute that an officer, ordered by his minister to make a payment which he thinks illegal or otherwise *ultra vires*, shall only make the payment if, after his written protest, the minister's order is confirmed in writing, and then the onus of responsibility is definitely transferred to the minister. Such cases are rare. There was severe Treasury comment when in a department created during the war a minister repeatedly overrode the protests of his accounting officer.

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By the section we have just considered the Treasury may determine "to whom"; by Section 27 (which is substantially re-enacted in the 1921 Act) they may define "for what." The limitation of Parliamentary time requires that the purposes of each grant—as incorporated in the Appropriation Act—should be defined with great brevity, but this section gives the Treasury the power to dot the "i's" and cross the "t's" in the description, and to define more clearly the purposes for which the Crown's ministers intended to make their demand upon the Commons. The Treasury may direct that their authority shall be required for any class of expenditure, and the Auditor-General is therefore bound to report to Parliament as irregular any expenditure for which such Treasury authority is not forthcoming. The Treasury requirements under this section were drawn somewhat widely in 1868, and included any new service, any increase in a civil establishment, any excess over the amount shown in the estimates, and the like. But outside these spheres there may be others in which a department may, in the absence of formal Treasury direction, have unlimited power to incur expenditure clearly falling within the strict terms of the grant; and within recent years an accounting officer, challenged by the Treasury for incurring a large item of expenditure without Their Lordships' prior sanction, successfully pleaded the absence of any Treasury instructions under this section.

The second group of the Audit sections of the 1866 Act prescribes the character of the Comptroller and Auditor-General's audit. He was required to satisfy himself as to—

- Proof of payment;
- Arithmetical accuracy;
- Date of charge, and
- Authority for the expenditure.

In the case of the navy and army accounts he might satisfy himself by accepting, at his discretion, in part or whole, the accounts allowed and passed by the department's internal audit staff. The draft Bill shows clearly that a considerable extension of this practice was contemplated; in fact the power to add other accounts to this category had, up to 1912, only been exercised in the case of the three revenue departments and old age pensions. In theory therefore he had still, with these few exceptions, to make 100 per cent voucher audit. Not only had he to satisfy himself as to proof of payment (of the validity of which he is the sole arbiter) but he had also to test all castings and computations. To carry out the strict letter of the law would have called for an extravagantly large staff and, as we will see later, the Act of 1921 substituted more practical requirements.

"Date of Charge" is sufficient subject for a lecture in itself; the Talmud is a mere monograph in comparison with the Rabbinic lore that has filled countless pages on this subject. The Act requires that the

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account shall include only sums which have actually come in course of payment during the financial year to which the account relates. If, on the 27th March, the head of the department sends a subordinate on an official journey with an advance of £10 to meet expenses, the £10 has not come in course of payment; but when the subordinate returns on the 3rd April and shows that he had spent £5 6s. 7d. before the stroke of midnight on the 31st March, as to that smaller sum the statutory condition has been satisfied. That innocent subordinate has grown into a hundred-headed hydra of "agent departments," with varying degrees of "agency." The real importance of the agency transaction lies in the fact that it may provide a means for "adjusting" the account to avoid a surrender of surplus, and correspondingly to reduce the calls that may be made on the votes for next year. Surrender of the unexpended surplus of a grant is not specifically legislated for in the Act, but it flows necessarily from the requirement that the discharge side of the account may only exhibit the sums which have actually come in course of payment during the current year, and that the account when rendered to the Comptroller and Auditor-General shall be accompanied by an explanation showing how the balances on the grants included in the previous year have been adjusted.

Audit from the standpoint of authority has always been a marked characteristic of Government audit, and in order that the authority for any transaction may be duly ascertained, the statute provides that the Comptroller and Auditor-General shall have free access to documents. The Public Accounts Committee has always supported a wide interpretation of this clause, and in one case at least has dealt heavily with a department which was unwilling to disclose its records to the auditor. But it is reasonable to suppose that the documents for which he may call are those which record the decided policy of the Accounting Officer's Department, and not mere abortive drafts of junior officers.

In connection with this question of authority it may be well to consider at this stage what is involved in any audit. Essentially the function of any auditor is to examine, on behalf of a principal, the transactions of an agent as recorded in an account; it is not the auditor's business to exceed the directions of his principal, or to raise objections to any action which he has ratified. The audit requirements of the Companies Acts are only apparent exceptions which prove the rule; they lay down the instructions which any articulate and intelligent body of shareholder principals must be deemed to require. There appears, however, to be no inherent reason why an auditor of integrity should not act on behalf of two principals in a joint venture, even if their interests are somewhat different. In one aspect, the major aspect, the principal for which the Comptroller and Auditor-General acts is the House of Commons, as the representatives of the taxpayer; the agent is the Crown, acting through ministers, to whom the grant is entrusted for a specific purpose; and to

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the Commons he reports how far it has been duly applied for that purpose. In another aspect, however, the accounting officer is a sub-agent of the Crown, as represented by the Chancellor of the Exchequer—that is, the Treasury ; and the Comptroller and Auditor-General may be required to examine the accounts of any accounting officer to see how far they conform to the directions given by the Treasury. It may be well worth noting that while the Comptroller and Auditor-General is in no sense the servant of the accounting officer, the latter may often welcome the observations of the auditor as a useful mirror by which to judge the conduct of business by his subordinates. But it cannot be too forcibly stated that the existence of this external audit, necessarily of a limited test character, in no way absolves the accounting officer from the necessity of providing proper internal check, to secure that the account which he presents is true and complete.

From what has been said it follows that the touchstone by which the auditor must ultimately test any observations which his officers are proposing to raise is whether, in default of a satisfactory reply from the accounting officer, he is prepared to report the matter either to the House of Commons or to the Treasury. Now the position is simple enough if the Treasury support the auditor. If My Lords dissent and fail to satisfy him as to the propriety of the transaction he has questioned, the position may be very delicate. Parliament has imposed upon the Auditor-General the duty of satisfying himself that "the money expended has been applied to the purpose for which the grant made by Parliament was intended to provide," and, like a Judge in the Courts, he may be called upon not merely to place an interpretation on the words written in the Act, but also determine what must be deemed to have been in the minds of the Commons when making the grant to the Crown, and whether the Crown has faithfully observed that intention in its expenditure. The representations of the Treasury in such a case would naturally receive the fullest consideration by the Auditor-General, and indeed the commonplace of a quarter of a century ago "show the auditor a Treasury letter and he shuts up like an oyster" found some reflection in the misgivings expressed by certain members of the Select Committee on National Expenditure in 1902, who desired to give the Auditor-General a position of greater independence of the Treasury. Upon that point a permanent civil servant must speak with some reserve ; but it may be pointed out that if in almost every case the incumbent of the office of Comptroller and Auditor-General has been an ex-Treasury man, yet he holds office during good behaviour and can only be removed on an Address from both Houses of Parliament ; and the status of the position is such that there can be no greater height in the public service on which the most ambitious holder might cast longing eyes.

The third element in the audit sections of the 1866 Act is the provision

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for publication of the accounts and of the report of the Comptroller and Auditor-General; and if the Treasury fail to present, he may himself lay them before the House of Commons. But that is only a part of the safeguard. The reports of the Comptroller and Auditor-General are, under the Standing Orders of the House of Commons, automatically referred for the consideration of the Committee of Public Accounts. By an unwritten law, successfully vindicated within recent years, the Chairman of the Public Accounts Committee is invariably a member of the Opposition; and in these latter days there is no longer any pretence of secrecy as to the intimate personal conferences which take place between the Auditor-General and the Chairman before the meetings of the Public Accounts Committee.

With this we must leave the audit clauses, disregarding here the relatively unimportant sections dealing with the audit of accounts in which Parliament was held not to be directly concerned, and pass to those relating to the duties of the Comptroller-General with regard to the revenue and income into H.M. Exchequer. They are largely an interesting historical survival, and post-war economy has degraded the fair-written parchment warrants into thin buff slips which are doubtless typewritten to-day. The 1866 Act provides that the revenue departments shall pay their revenue into one common account—the account of the Exchequer—at the Bank of England; it did not, and perhaps could not, provide any effective safeguard against an unscrupulous executive intercepting that revenue before it reached the Exchequer Account. Once the money is safe in the Exchequer, it can only issue on the strength of a credit granted to the Treasury by the Comptroller and Auditor-General. These credits—and the issues—are of two kinds: those for Consolidated Fund services, such as the Civil List, the service of the Debt, the salaries of the Judges, of the Speaker, and of the Comptroller and Auditor-General himself, which have been voted by Parliament once and for all; and those for Supply services, dependent on the annual votes in Committee of Supply. As to the first class, the Comptroller and Auditor-General does little more than pre-audit transactions which, on their completion, he will again audit in the Consolidated Fund Account, upon which he reports to Parliament. As to the Supply issues, he has to be "satisfied as to the correctness" of the Treasury requisitions, but in practice he can do no more than see that the Treasury are not asking in the aggregate for all Supply services more than Parliament has granted. If within that total limit the Treasury issues for Army purposes £1,000,000 more than Parliament has granted for the War Minister, the Comptroller and Auditor-General only knows of it after the issue has been made. Parliamentary safeguards are sometimes rendered inoperative by their own overwhelming force: a successful motion to reduce an Estimate is more likely to turn out a Government than to effect any saving to the

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taxpayer, and the weapon of refusing credit is so terrifying a sledge hammer that the boldest Comptroller and Auditor-General might hesitate to use it even in an extreme case. Upon such a refusal, if it arose, the one reserve legally available for the Government, pending further specific grants of Parliament, is the limited purse of the Civil Contingencies Fund. When that was exhausted, a hypothetical executive of unparalleled wickedness (even if their promises of indemnity failed to persuade the Bank to violate the sanctity of the Exchequer Account) could still tamper not only with the growing balances in the Revenue Accounts, but also with the very large deposit funds at the Pay Office, a dangerous possibility foreseen by Mr. W. H. Smith in 1886.

So much for alarming theoretical possibilities ; but if one can conceive of a difference of opinion between the Crown's ministers and the Commons of so serious a character as to result in a refusal of credit, one may feel tolerably confident that that refusal would be the last stage in the dismissal of the ministry from power.

We are already in the realm of speculation that belongs to our third province, the 1921 Act and after. The circumstances in which that Act was passed (it had been declared to be impossible to allot the necessary Parliamentary time) some contemporary diarist has, I trust, recorded for the encouragement of future administrators. Apart from the many interesting personal factors, which cannot be touched upon here, the main feature of the Act is the enlargement of the discretionary power of the Comptroller and Auditor-General as to the manner in which he satisfies himself of the detailed correctness of the account. No accounts, except the most elementary petty cash account, can ever be mere matters of fact ; wherever there is classification of any sort, we are in the field of opinion, and the auditor needs discretion to satisfy himself that the opinion reflected in the accounts is an honest opinion. In the case of the ever-growing number of public accounts which are not strictly appropriation accounts, the new Act and the Treasury directions of 30th April, 1923, made under the Act, are designed to remove many doubts that previously existed ; and the present position appears to be that in his examination of accounts, of whatever character, he is, in the exercise of a reasonable discretion, to satisfy himself that the intentions of Parliament are being duly observed. The drafters of the 1866 Act contemplated the possibility of the Auditor-General undertaking the audit of such public accounts as a national relief fund raised by public subscription, but although the terms of the Act were considered in connection with the Prince of Wales' Relief Fund in 1914, it does not appear that he has ever been called upon to undertake such an audit. These provisions of the 1866 Act have, however, been re-enacted in still more general terms in the 1921 Act.

The Departmental Committee of 1920 on the Audit of Local Authorities' Accounts is understood to have taken evidence from a number of

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witnesses on the question of transferring the Ministry of Health Audit to the Comptroller and Auditor-General. As no report of that committee has yet appeared, the matter is presumably *sub judice*; but without entering into detail, it may be proper to suggest that the constitutional difficulties involved in such a transfer are not very serious; that it would give the authority and the ratepayer an auditor wholly independent of the ministry of the day; while the employment of a common staff in auditing both central and local accounts would secure for both the great advantage of the wider experience of the auditor.

The recruitment, training, and promotion of the staff of the department is a matter which can be alluded to here but briefly. The Institute of Public Administration cannot do otherwise than note with interest the definite steps that have been taken in recent years for post-entrant training of the staff, intra-mural and extra-mural. Some special training is the more necessary as the majority of the staff have of necessity had little practical experience of account keeping; and without prejudice to the Platonic theory that the good doctor need not himself have suffered the diseases which he treats, it will be generally admitted that for effective criticism of the results of accountancy, some degree of practical knowledge of account keeping is a desideratum. With the finished carpet before him the auditor can readily criticize defects of pattern; he is no longer a mere critic if he knows the technique of warp and woof, and how the pattern is slowly built up from the back, and can help the weaver to better practice in the future.

Conditions applicable to the Indian Public Services are an uncertain guide in the wholly different circumstances of Parliamentary Government at home; but there are many arguments to be adduced for a common service civil corps of accountants and auditors, liable to transfer from one office to another. Short of that ideal, however, much valuable work is done, with little enough advertisement, by the informal pooling of experience which is effected by junior officers of the Comptroller and Auditor-General, who after, say, three years' work on Admiralty accounts, are transferred to the audit of Police accounts, and pass on to their "opposite numbers" some knowledge of accounting methods of other departments of State.

Here it may be noted that, under the Statute, it is the Treasury and not the Comptroller and Auditor-General, who are charged with the duty of prescribing forms of account, but in practice many minor changes of form—usually, but not always, changes for the better—are made by accounting departments as the result of more or less informal representations by the Audit Office. The appropriation accounts of all civil departments are subjected, in greater or less degree, to a very necessary editing by the Audit Office before publication, but there is great scope for drastic re-casting of that expensive and uninviting volume of the civil

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appropriation accounts, with its columns of childish arithmetic, if it is ever to be perused by any but the limited number of officials who are compelled to do so. The efforts of some colonial treasurers and auditors to present to the taxpayer an intelligible picture, with some sense of proportion, of how his money has gone, have so far found little enough parallel in this country. What small measure of progress in this direction has been achieved in the Army accounts, others must judge.

As already indicated, the ultimate sanction, in the legal sense, behind all the actions of Comptroller and Auditor-General is the right of report to Parliament. As an officer of the House of Commons he will clearly not desire to comment upon the decisions of his principals, but there are many cases in which Parliament would apparently welcome rather fuller information than is given at present as to the manner in which the several grants made to the Crown have been applied. There is no reason to fear that in such a case the wide discretion already enjoyed by the Comptroller and Auditor-General would be exercised any less wisely than in the past; and the effective force of his audit would be immeasurably enhanced if the Public Accounts Committee were provided in his reports with somewhat more "pabulum," so that in practice their deliberations would be directed mainly to his reports. To the reader of that mass of question and answer in the all-too-verbatim report of the proceedings of the Public Accounts Committee, it seems that the brevity of the auditor's reports is the probable cause of the random questions on minutiae of the accounts put by Members whose first perusal of the account appears to have taken place in the committee room itself.

The pages of our history are eloquent on the struggle between the Crown and Parliament; the vast growth of the power of the Executive during the European War, though it be already on record in history, is too near present politics for discussion here. Even a civil servant, however, may say openly that if the Commons desire effective control over the grants made to the Crown's ministers, the weapon they have forged for themselves in the long series of audit Acts must not be forgotten. The Exchequer and Audit Department is no creature of yesterday and "tradition gives that queer reverence that will do the job for some purpose wider than the doer's own advantage."<sup>1</sup> Statutorily independent of the Government of the day, the Comptroller and Auditor-General is the faithful and well tried officer of the Commons House of Parliament, and it is incumbent upon the representatives of the taxpayer to use to the full the unique services which that officer can render.

<sup>1</sup> *Times*, 28th February, 1924.

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## *Financial Control*

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# Financial Control in Local Government Administration

BY SIR HARRY HAWARD

*Electricity Commissioner—formerly Comptroller of the London County Council  
[A Paper read before the Institute of Public Administration, 27th March, 1924]*

### INTRODUCTORY

1. Financial control as applied to the wide field of local government raises problems similar in many respects to those arising in relation to Treasury control in the administration of the State. In preparing this paper, which relates only to the local authorities of England and Wales, I have had the advantage of consultation with a number of my ex-colleagues in the municipal service who are well acquainted with the position of affairs in the provinces. Scotland is a law unto itself, although, doubtless, most of the problems discussed have their counterpart in local administration north of the Tweed.

2. The point of view from which I approach the subject will be appreciated if I start with a few general propositions—

(a) That finance is the foundation of all public administration. This is recognized in the affairs of the State by the position assigned to the Chancellor of the Exchequer in the ministerial hierarchy and to the Treasury among the other departments of the State. But it is not similarly recognized in municipal administration.

(b) That the amount of the public resources, that is to say, the taxation (whether Imperial or local) which can safely be imposed on the community, is limited; that taxation constitutes a burden on industry; and that the economical employment of public funds is a matter of vital importance to the public weal.

(c) That the control of a municipality over the expenditure of public money, although absolute in theory, is not capable of being effectively exercised by the authority itself without the assistance of a Finance Committee and department.

(d) That financial considerations should be weighed against considerations of general or particular policy, and in important proposed schemes of public expenditure, where there is difference of opinion, the decision of the public body itself must be taken upon the issue raised.

(e) That the interests of the ratepayers cannot safely be left to the spending departments of a corporation. This does not mean that the interests of economy are not and cannot be studied by these departments, but the incentive which operates in commercial affairs being absent and human nature being what it is, there is no security

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against extravagance and waste in public administration unless there is some supervision or control exercised outside the spending departments.

(f) That the public interests demand the consideration of all local expenditure in its financial bearings and the continuous and vigilant action of a department qualified by training and experience to promote the conservation of public funds.

(g) That Treasury or financial control does not necessarily mean the cutting down of expenditure, but may result in better value for the same outlay. The value of public expenditure to the community is not necessarily measured by its amount, and criticism by the financial department should be directed to securing that expenditure is wisely directed.

3. At the outset I desire to associate myself with the views recently expressed by Sir Henry Bunbury as to the essential difference between control from without and financial responsibility from within and as to the necessity of both in their proper degree.

4. The foregoing propositions may be generally accepted by members of the Institute, but they will not command universal assent. There is a school of thought which regards the finance department of the State or municipality as at best a necessary evil whose main function should be to supply whatever funds are needed to finance the operations of the spending departments, and that the latter should alone be responsible for the exercise of due economy and regularity in administration. Again, some people question altogether the utility of estimates. They regard the requirement to submit estimates as an incentive to extravagance and not to economy ; the tendency, they say, is to estimate for more than is really wanted and then to spend up to the limit of the estimate ; the absence of estimates will not in their view lead departments to spend more than is really required. But such implicit faith in the wisdom and moderation of spending departments makes too great a demand upon our credulity.

5. If the accumulated experience of the great administrators of the State does not provide a sufficient answer to those who may be disposed to question the wisdom of independent financial control, I commend to them the appended extracts (Appendix A) from the Report of Lord Haldane's Committee on the Machinery of Government, which reviewed the subject in 1918. Is there any reason why what has proved beneficial in the administration of the national affairs should not prove equally beneficial in the field of local administration ?

### THE NEED FOR FINANCIAL CONTROL

6. I maintain that financial control is not less necessary in the one case than in the other, and yet the subject, as it affects local administration,

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has hitherto received comparatively little attention at the hands of Parliament and the public. The provision made by the legislature for such control is meagre and inadequate except in the case of County Councils and the metropolitan local bodies. During the last 40 years the number of local bodies has greatly multiplied and the scope of local administration has widened to an extent undreamed of by our grandfathers or even by our fathers. To-day there are in England and Wales alone 25,104 separate local authorities "having financial transactions" (to use the official terminology of the Ministry of Health), i.e. having the right in some form or other to dip into the ratepayers' purse. A list of these authorities is appended (Appendix B); they range from the London County Council, with an annual budget of £30,000,000 down to a Parish Council with a budget of less than a five pound note.

7. The expenditure of local bodies in the exercise of the duties entrusted to them has reached a formidable total. These duties now concern the citizen throughout the whole of his journey from the cradle to the grave. The changes which have taken place during the last forty years in this respect will be appreciated from the following figures (Appendix C).

8. During the thirty years before the war local expenditure on revenue account increased from £43,508,243 to £148,259,788, or by 241 per cent, and in 1920–21 it amounted to £343,155,035, or 131 per cent in excess of the figure of 1913–14; the greater part of the increase during the latter period being due to the necessarily higher expenditure on the services consequent on the rise in the cost of living and other increases inseparable from the post-war period.

9. During the same period the expenditure out of loans increased from £9,369,813 (1882–83) to £94,453,400 (1920–21), and the amount of loans outstanding from £159,142,926 to £562,630,045 in 1913–14—equal to nearly 80 per cent of the then National Debt—and to £657,760,895 at the end of 1920–21. No less than one-half of this local debt relates to revenue producing undertakings, such as water, gas, electric light, and tramways, which *in the aggregate* involve no charge upon the local rates.

10. While the powers of local authorities to borrow are limited and controlled by Parliament and Government departments, their powers of expenditure on revenue account are unlimited except by the patience and resources of the ratepayers. There are a few minor services in respect of which the power to levy rates is subject to a statutory limit, but the tendency is to remove such limitations; broadly speaking, the power to levy rates is unlimited. Some of us may remember the shock produced by Mr. Sidney Webb's contemplation of a rate of 20s. in the £. What twenty-five years ago was a dim possibility has become an unpleasant actuality in certain parts of the country.

11. The average rate levied throughout England and Wales in 1882–83 was 3s. 5d. in the £. Just before the war it was 6s. 9d.; in 1920–21 it

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was 13s. 7d., and in 1921-22 it was 14s. 9½d., notwithstanding the great increase in State aid. (In that year there were 88 urban areas in which it exceeded 20s. in the £, the highest rate levied being 34s. 7d. in the £.) The growth of rateable value has not kept pace with the growth of the expenditure which falls to be defrayed out of the rates, as will appear from the following figures—

1882-83	:	£143,222,438
1913-14	:	£223,559,349 (Assessable value on which rates are actually levied, £211,563,049).
1920-21	.	£236,024,438 (Assessable value £223,656,107).

12. When we consider the magnitude of the transactions of the local authorities, the rapid growth of the amount expended by them on "Public Assistance" (£120,429,654, according to the Public Social Services Return, 18th July, 1922) and the extent of their trading undertakings, we cannot fail to realize the need for a sound system of financial administration in local affairs. That such a system must be conducive to efficiency and economy should be a self-evident proposition.

13. Assuming financial control to be essential in the public interests, by whom and in what manner can it best be exercised? Parliament has provided for a considerable amount of control from outside. This concerns the borrowing powers of local authorities, their expenditure on semi-national services aided by grants from the Exchequer, and the appointment and remuneration of certain officials. Control over the former is exercised by the Ministry of Health and other Government departments responsible for sanctioning the borrowings of local bodies, or by Parliament itself through the granting of powers to borrow in private bills promoted by local bodies.

14. The main object of such control is "to guard the inheritance"; in other words, to prevent future generations of ratepayers from being saddled with burdens which should have been borne by their predecessors. The action of the sanctioning authority is, as a rule, directed to seeing that the proposed work is necessary or expedient, that the expenditure to be incurred is fair and reasonable, and that the period fixed for the repayment of the loan is within the probable life of the work. The system was exhaustively inquired into by the Select Committee on the Repayment of Loans in 1902, whose report may be taken as a general endorsement of its soundness; indeed, they recommended the lengthening of the maximum periods of loans for certain purposes. The loan sanctioning arrangements may, therefore, be said to operate satisfactorily in the interests of both present and future ratepayers.

15. Then there is the control exercised by Government departments over local expenditure on services of a semi-national character. The grants from the Exchequer in aid of these services now commonly take the form of a percentage (usually 50 per cent) of the local expenditure

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and necessarily carry with them a measure of control over the expenditure ranking for grant. The aggregate expenditure on the services so aided in England and Wales in 1920-21 was about £150,000,000. The extent of such control varies with the nature of the service ; for example, in the case of the police service the expenditure of the local bodies on pay, clothing, and other matters is regulated, if not virtually dictated, by the Home Office.

16. But central control through the system of grants operates to increase as well as to reduce local expenditure, one of the main objects of the Government grant being to stimulate local expenditure on certain services the efficient maintenance of which is of national importance. The effect is clearly seen in such services as education and public health. At the same time the supervision of Government departments through their administration of the grants affords some protection against extravagant expenditure. As the subject of the percentage system of Exchequer grants is under review by the Departmental Committee presided over by Lord Meston, I do not dwell further upon it.

17. The Minister of Health exercises control over the appointment and remuneration of certain officials of Poor Law Authorities and over the salaries of Medical Officers of Health and Sanitary Inspectors where the Government grants are received.

18. Parliament, through private bill legislation, has recently shown a tendency to require that trading undertakings of local authorities shall be self-supporting.

19. Tendencies in the direction of centralization of administration are to be deprecated. There should be a minimum of interference with local administration. Local authorities generally should be completely independent so far as their current financial transactions are concerned, subject only to independent public audit of their accounts, and to such general supervision as is necessary in the case of semi-national services aided by Government grants, more particularly where the latter are based upon expenditure.

20. I now come to the main branch of the subject, namely, the financial control which the local authority can itself exercise over its expenditure and financial operations by means of standing orders, regulations or otherwise. This control operates through (1) the Finance Committee and (2) the financial officer ; and it is necessary, therefore, to discuss the functions which are or should be exercised by these two agencies.

21. Every local authority, except the very smallest, has a Finance Committee to carry out its financial transactions, but the powers and functions of such committees differ widely. There are no legislative requirements regarding the appointment of a Finance Committee and

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their functions, except in the case of County Councils and certain metropolitan bodies. Parliament has left the setting up of such committees to the discretion of the Boroughs and Urban and Rural District Councils. The absence of any statutory provision in this respect is a distinct weakness in our system of local government. The sections (74 and 80) of the Local Government Act, 1888, which relate to the Finance Committee of a County Council, and the annual budget are set out in Appendix D. Similar statutory provisions apply to the Metropolitan Borough Councils (London Government Act, 1899) and to the Metropolitan Water Board (Metropolitan Water Act, 1902). Notwithstanding the great development in local government during the last thirty-five years, these enactments are the latest expression of the mind of Parliament on the subject ; as such they deserve the fullest consideration. They provide—

- (a) That a Finance Committee shall be appointed "for regulating and controlling the finances of the county."
- (b) That all payments out of the County Fund shall be made on the recommendation of the Finance Committee.
- (c) That no liability exceeding £50 shall be incurred by the Council except upon an estimate submitted by the Finance Committee.
- (d) That an annual estimate or budget shall be submitted to the Council.

Thus all the financial transactions of the local authority must be carried out by or on the advice of the Finance Committee and its expenditure regulated by a system of estimates.

### FINANCE COMMITTEE AND ESTIMATES

22. The framers of the Act of 1888 forged a weapon of financial control—powerful, but somewhat crude for practical use. County Councils all over the country, including London, found themselves confronted with the problem of giving a reasonable interpretation to the rigid requirements of Section 80 in regard to estimates and payments which would allow the routine work of administration to proceed. Endeavours were made in the early days to get round the requirements relating to specific estimates ; for example, in the case of the London County Council proposals for expenditure were approved by the Council on the report of the spending committees "subject to the necessary estimate being submitted by the Finance Committee." The subsequent submission (sometimes long-delayed) of the statutory estimate after the Council had approved the proposal tended to become a futile formality amounting in effect to the familiar process of bolting the stable door after the steed had been stolen.

23. In the discussions which arose we had the advantage of the experience of no less than three ex-Permanent Secretaries of the Treasury, the late Lord Lingen, the late Lord Welby, and the late Sir Francis

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Mowatt. After several years of unsatisfactory effort a solution of the difficulty was found in the application to local finance of the budget system of the State, that is to say, the controlling of expenditure by means of the annual estimates ; the general idea being that the Finance Committee should be placed as far as possible in the same position as the Treasury *vis-a-vis* the several departments of the State. Thus, for purposes of comparison, the Council may be said to represent the House of Commons, the executive committees of the Council to represent the State departments, the Chairman of the Finance Committee to represent the Chancellor of the Exchequer, and the Finance Committee to represent the Treasury.

24. Strong opposition to the proposals was encountered partly from the powerful executive committees who were not prepared to accord to the Finance Committee the commanding position intended by the legislature and preferred the *ex post facto* and haphazard system of financial control then in operation. It was only by the powerful advocacy and prestige of the late Lord Welby that the scheme was passed through the Council.

25. In the working out of this general idea various constitutional questions and practical considerations of importance have arisen both in regard to the intentions of Parliament as expressed in Sections 74 and 80 and the administrative consequences of a strict interpretation of these statutory provisions. The view on which the Council has acted, and in which it has been supported by eminent counsel, is that the Finance Committee were intended to have a general power of regulating and controlling all matters relating to finance but that the ultimate control is in the Council itself.

26. To enable the Finance Committee so to act the Council has entrusted the committee with large powers by their order of reference ; these specific powers are, however, derived from the Council and not from the statute, which, except for the provision in Section 80 (3) is silent as to how the Finance Committee are to exercise control. With regard, however, to the statutory powers conferred on the Finance Committee by Section 80 (1) and (3) in connection with orders for the payment of money and the incurring of new liabilities, the Finance Committee are not placed by the statute under the control of the Council ; for example, if they refuse to recommend a payment or submit an estimate the Council cannot compel them to do so. There would in that event be a deadlock only to be resolved by the dissolution of the Finance Committee and the appointment of a new one willing to make the necessary recommendation or submission.

27. Thus, the incurring of a new liability by the Council is *ultra vires* unless an estimate has been submitted by the Finance Committee. It is not necessary that the committee should recommend the approval of the

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estimate or proposed expenditure ; similarly, the Council cannot lawfully order a payment if the Finance Committee refuse or fail to recommend it ; the creditor's remedy in such a case would be to obtain judgment in an action which could be satisfied by the County Treasurer under Section 80 (1).

28. I observe that Sir Henry Bunbury has given a definition of "financial control." He understands it to involve the power of saying "Yes" or "No" to something that somebody else wants to do, in other words, a power of veto. In fact such a power resides in the Treasury despite the right of appeal from the Chancellor of the Exchequer to the Cabinet, because this right cannot in practice be exercised except in matters of first-class importance and then, unless the spending department is represented in the Cabinet, the contest is an unequal one. The Act of 1888 certainly places an absolute veto in the hands of the Finance Committee.

29. But I have always held that, whatever the strict interpretation of the Finance Committee's legal powers may be, public policy demands that the Council should be master in its own house, and that the Finance Committee should not by their inaction prevent action on the part of the Council ; this view has been accepted and the standing orders framed accordingly. The Finance Committee should be the watch-dog of the Council. The master may disregard its barks, but responsibility for so doing rests with him.

30. The effectiveness of such a system of financial control, however, must largely depend upon the moral authority of the Finance Committee ; if their advice is constantly disregarded by the Council their position will be greatly weakened, despite a perfect system of standing orders. In the administration of the State real control of expenditure is largely dependent upon "will to economy" evinced by the party in power. Where in municipal affairs the administration is on party lines, it is the policy of the governing party which makes for economy or otherwise, and the Finance Committee supply the necessary effective machinery. I cannot recall any public discussion on the annual votes in the London County Council directed to a reduction of expenditure ; it was always in the other direction, notwithstanding the lip-service paid to economy by individual members.

31. Again, finance depends upon policy, and the Council must settle the policy. Policy in its turn may be influenced and determined by financial considerations ; but the Council itself is the proper authority for deciding the issue.

32. Such being the powers of the Finance Committee, the membership should obviously consist, as far as possible, of men with some knowledge of finance and business administration, and they should not be specially identified with any of the spending committees. In many towns, such

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an ideal constitution is not possible, but every endeavour should be made to select for the Finance Committee men capable of independent judgment. In some places the view is apparently held that the Finance Committee should be composed mainly of the chairmen of the spending committees. In my opinion this is a mistaken view for obvious reasons; in others, the Finance Committee consists of the whole Council.

33. I have dealt at length with the system of financial control which obtains under the London County Council because it is the most outstanding example of the practical application of the financial provisions of the Act of 1888 and one which has stood the test of upwards of a quarter of a century. What has been found to work successfully there is capable of application to other large cities and, with the necessary modifications, to smaller towns. Appendix E contains some further notes on the system which may be of interest.

34. Outside London the conception of the province of the Finance Committee as set forth above has not hitherto been generally accepted. Even in the case of bodies where the Finance Committee are armed with similar statutory provisions, for example, County Councils, the action of the Finance Committee was, and is, in many cases still limited to advising the Council as a statutory formality of the cost involved in any proposal. Financial stringency and the pressure of increased rates since the war have led a number of County Councils to strengthen the position of their Finance Committee, and in certain instances the Finance Committee accompany their submission of the statutory estimate of costs, debt, or liability with a definite recommendation favourable or otherwise.

35. Where, as in the case of the Boroughs and the Urban District Councils, there is no statutory provision for a Finance Committee the greatest variety of practice is found, and the system of financial control is inadequate. Some of the larger cities have adopted standing orders on the lines of those above described. In most of the large towns the annual budget is recognized as the proper machinery for controlling expenditure on revenue account and is settled more or less in consultation with the Finance Committee. Moreover, the committee report concurrently on all schemes of expenditure on capital account and also on revenue expenditure not provided for in the annual budget. But in other towns and in the smaller centres there appears to be little or no system of financial control through the Finance Committee. The reasons appear to be: (1) the absence of statutory powers; (2) the spending committees, jealous of their independence, resent "interference" by the Finance Committee; (3) the position of the Education, Asylums, and other committees set up by statute; and (4) the desire of trading departments to maintain a self-contained organization.

36. In various towns attempts have been and are being made to introduce an improved system of financial control and organization, but from

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such inquiries as I have made there is a wide field for further endeavour in this respect, and I doubt whether, in the absence of Government action, anything short of a local financial crisis or scandal will call forth the necessary reforms.

### FINANCE COMMITTEE AND PAYMENT OF ACCOUNTS

37. We have seen that under Section 80 of the Act of 1888 no order for payment out of the county fund (unless in pursuance of the specific requirement of an Act of Parliament or an order of a competent court) can be made by the County Council except upon the recommendation of the Finance Committee. It was recognized at once that this provision could not be rigidly carried out, particularly in the case of Councils meeting at quarterly or even monthly intervals. Some means had to be devised to meet the difficulty and the plan generally adopted has been for the Council, on the recommendation of the Finance Committee, to place moneys periodically at the disposal of the Finance Committee or of the appropriate spending committees in accordance with estimates of requirements prepared by the various committees. On the moneys so allocated the Finance Committee, or the financial officer, order or draw cheques in payment of accounts passed by the various committees. In the case of Boroughs and other Urban Districts it is the general practice for payments to be made by or through the Finance Committee, a list of the accounts approved by the various committees being forwarded to them for the purpose. The list of payments so approved is reported to the next meeting of the Council.

38. A sound system of financial control undoubtedly requires that all payments should be so made through the Finance Committee; the practice of committees ordering the payment of their own accounts, where such prevails, is to be deprecated, as unity of procedure in this respect makes for efficiency.

39. But what measure of control can or should be exercised by the Finance Committee when ordering these payments? Where the local authorities are subject to Section 80 or a similar provision the Finance Committee are absolutely masters of the situation and can exercise the fullest and most detailed control if they wish to do so. In the case of other local authorities, the Finance Committee have no more power in this respect than the local authority chooses to give them. In London the practice adopted until recently is as set out in the first annual report of the Finance Committee, which appeared under the signature of the late Lord Lingan thus—

The Finance Committee receive at their weekly meetings detailed lists of the accounts approved for payment by the several spending committees. These items occupy several pages of print and are of a series of amounts from £1 or £2 or even less, up to thousands, and

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are collected from the whole field of the Council's administration. The only regulation or control which, as a rule, it is possible to exercise over such a mass of detail is to see that each item comes from the appropriate spending committee and is duly authenticated by the certificates of the appropriate officers and by the signatures of the committees' chairmen. Any other course would involve the Finance Committee in the business of every other committee and would imply a degree of interference which, even if it were possible to be usefully exercised, would certainly not be accepted. Of course if any item does not *prima facie* explain itself, or if it looks unusual, a communication is addressed to the committee from which it is received or perhaps its chairman is invited to attend.

40. This statement defines with sufficient exactitude the position which I think the Finance Committee should adopt in the discharge of their responsibilities for ordering or making payments. The position of the Finance Committee is greatly strengthened where they have power to make regulations regarding the examination of accounts and other matters and where the financial officer is, as he should be, responsible for the correctness of the accounts presented to the spending committees prior to their submission to the Finance Committee.

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### **FINANCE COMMITTEE AND REGULATIONS**

41. An effective means by which the Finance Committee can regulate and control the finances of the county is by the issue of financial regulations. The power to make such regulations, although not expressed, may perhaps be held to be implied by the phraseology of the statute of 1888. Such regulations should, in addition to determining the procedure in such purely financial matters as banking accounts, investments, and loans, contain rules for the guidance of committees in framing estimates and incurring liabilities or spending money, and should cover such matters as the payment of salaries and wages, the examination of invoices and accounts, the audit of stores accounts and stocktaking, and the collection of revenues.

42. *Financial Rules.* There is an elaborate code of such rules made by the Finance Committee of the London County Council under their Order of Reference from the Council, but I am not aware of anything in the provinces at all corresponding. It may be that some of the matters in these rules are dealt with by standing orders or resolutions of the local authority or are regulated by precedents or practice established with the approval of the Finance Committee. Where the Finance Committee have no statutory powers it may be difficult to persuade the local authorities to give them the necessary authority. But I am convinced that such regulations make for financial unity and efficiency. While the tendency

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in the administration of the London County Council is perhaps unduly to multiply standing orders, regulations, and rules, experience shows that in such a large organization such as a modern municipality, with its numerous committees and departments, it is necessary for the guidance of all concerned to prescribe with precision the procedure in financial and other matters.

Where large powers of expenditure are delegated to the spending committees the financial regulations should govern the procedure in such matters as tendering for and acceptance of contracts. The granting of such uncontrolled powers is a weak spot in certain municipal organizations.

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### FINANCIAL OFFICER

43. Closely associated with the functions of the Finance Committee are those of the financial officer, and the efficiency of any system of financial control is bound up with the position held by the chief financial officer, whether he be styled Borough or City Treasurer, Borough Accountant, County Treasurer, Comptroller, or Accounting Officer. This official is particularly the servant of the Finance Committee, although his services are as a rule at the disposal of all the committees of the local authority. It is to him that the Finance Committee look for information and guidance on all financial matters, and he is the agency by which they carry out in detail their system of control.

44. Where, as in the London County Council system, the financial officer is the financial adviser of all committees, an interesting question arises by his being thus placed somewhat in the position of Dr. Jekyll and Mr. Hyde. There are advantages and disadvantages in this system. On the one hand it ensures that the spending committees have before them all the financial data before passing on a scheme of expenditure to the Finance Committee, whose labours are thereby lightened; on the other hand, the judgment of the financial officer may be influenced by his association with the scheme in its earlier stages and his report to the Finance Committee may not be as independent as it otherwise would have been. But the two committees naturally regard proposed expenditure from different angles, and I have always thought that the system was justified.

45. Where the position assigned to the Finance Committee is a strong one, there the financial officer must occupy a position of corresponding authority. But the converse is not necessarily true; in some cases the financial officer occupies a position of great authority although the powers of the Finance Committee are inadequate.

46. Dealing first with the statutory position of the financial officer, in the counties there is provision in the Local Government Act, 1888, for the appointment of a county treasurer and all payments must be made by

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and to him, but this office may be, and in most counties is, held by a banking corporation or a bank manager; it may be occupied by an individual. In the former case the county treasurer merely acts as a banker, and there is a county accountant or other financial officer who keeps the accounts and carries out all financial work other than that usually appertaining to a banker.

47. The treasurer of a borough appointed under Section 18 of the Municipal Corporations Act, 1882, or of an urban authority under Section 189 of the Public Health Act, 1875, is also a statutory officer with certain statutory duties. He occupies an important position with responsibilities independent of the corporation. It was held in the case of the *Attorney-General v. de Winton* (1906) that the treasurer, as custodian of the borough funds, owed a duty and stood in a fiduciary position to the burgesses as a body and could not plead the orders of the Town Council for an unlawful act. In this respect his position is similar to that of a county treasurer. Because of its statutory character the title of "Borough Treasurer" is favoured by the chief financial officers of municipalities, although it does not necessarily cover the range of accountancy duties for which they are in most cases responsible.

48. In the smaller councils an accounts clerk attached to the department of the clerk of the local authority carries out the financial work in many cases apart from that appertaining to the treasurer, who is usually a banker.

49. The general practice throughout the country, where there is a financial officer, is that all payments by cheque are carried out by or through him; the exceptions in the case of the larger authorities are few. Payments in cash are largely made in the administrative departments. The collection of money is dealt with in the finance department of the larger bodies, the exceptions being most numerous in the case of trading departments of municipalities.

50. The financial officer keeps the accounts of the local authority and submits them for audit, but the education accounts and those relating to trading undertakings (for example, gas, water, tramways, and electricity) form, in many cases, exceptions to the rule. This arises, as regards the former, from the statutory position of the Education Committee, and the fact that prior to the passing of the Education Acts, 1902-3, the service of education was undertaken by separate public bodies (the old School Boards), and as regards trading undertakings from the desire of the managers of these concerns for a self-contained organization, and possibly also to the fact that some of them originated as company undertakings. The position of the financial officer in relation to these undertakings varies greatly in the country, and has been from time to time the subject of somewhat acute controversy. On the whole, where changes have taken place during the last twenty years, the movement has been

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towards concentration of financial work, but there have been instances of action in the direction of decentralization. The issue is one of great importance in local administration and to some extent it arises in the administration of Government departments.

51. In local administration the functions of departments are, as a rule, determined and allocated according to the nature of the work performed, and each chief officer deals with all cognate matters irrespective of the services in connection with which they arise. Thus, the clerk is responsible for all committee, establishment, and legal work, the surveyor or architect is responsible for all building work, and the financial officer is, or should be, responsible for all financial work. In this way each department gains the largest possible experience in the application of its functions and its specialized service is at the disposal of all the departments. This is a sound principle of administration, but the splitting up of financial work, whether in whole or in part among a number of departments, cuts right across it. Whatever truth there may be in the dictum that "that system is best which is best administered," we shall all agree that administration should be based on sound and scientific principles rather than on faulty lines, and thus dependent for its success upon the personal qualities of those who work under it.

52. The upholders of the departmental system of finance for large trading undertakings claim complete independence for the departments in accountancy as well as in operation. By the same process of reasoning they might claim independence of the Town Clerk's and other departments. But few advocate the carrying out by the departments of all financial work including work usually strictly appertaining to a treasurer (that is to say, the receipt and payment of moneys). They allow the finance department the raising of capital, payments by cheque, the handling of such purely financial matters as income tax and rating assessments, possibly also the collection of revenues on the basis of demands prepared in the departments ; further, they accept an audit or inspection by the finance department of their accounts and records. Under such a system the financial officer acts as the banker and internal auditor or inspector of the departments, not as their accountant. What are the advantages claimed for this system ?

(a) *Greater freedom of action for the trading departments*, which, being of a commercial character, should not be hampered by procedure however suitable for the ordinary rate services ; for example, in certain towns the budget system is not applied to trading undertakings.

This consideration points to the adaptation of the procedure to the trading departments but not to their exclusion altogether from the general financial system. For example, more lenient treatment may be accorded to supplemental estimates, particularly where the increase of expenditure, as often happens, is accompanied

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by corresponding increase of revenue ; control over the details of the estimates may be less rigid and greater latitude allowed in the incurring of operating expenses.

(b) *The avoidance of duplicate account-keeping*, as the manager or head of the department must in any case keep more or less elaborate records in order that he may maintain a constant watch on the financial position of his department.

There is undoubtedly a tendency to duplication of work, but there should be none if the finance department supplies periodical returns of receipts and expenditure with promptitude ; certain departmental records, as distinct from financial accounts, must be kept in the departments, but these should not involve duplication of pure accountancy work.

(c) *Greater economy of staff*.

It is not obvious why checking before the event should cost more than checking after the event.

(d) *The elimination of friction between the finance department and the other departments*.

Friction mostly results from an antagonistic attitude, and with a proper spirit of co-operation between the departments is negligible.

(e) *The elimination of dual responsibility*, by placing the whole responsibility for the satisfactory working of the department on the head of it.

But dual responsibility is only to be deprecated if two persons or departments are responsible for the same thing ; a proper division of work with the respective responsibilities clearly laid down is not open to objection. The head of a trading department must be solely responsible for the financial results of the undertaking which he operates. The financial officer should not interfere in any way with the working of the undertaking. But the designation "Comptroller," particularly if spelt with an "n," is suspect in certain quarters, and leads to quite needless suspicions.

53. On the other hand, what are the advantages of a unified financial system ? Uniformity of treatment in all such accounting matters as chargeability to capital, preparation of balance sheets, and regularity of financial methods ; the lessened risk of fraud and other irregularities which automatically results from the separation of the two functions of accounting and operating—prevention is better than cure ; greater efficiency through the work being carried out by the trained staff of the finance department instead of by a number of separate financial sections in the departments ; the independence of statements of financial results.

54. To some heads of departments a position analogous in a small way to that of the general manager of a railway, with a number of

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departments or sections, including a financial section, responsible to him, offers a certain attractiveness. But the analogy does not hold good; moreover, there are many professional men at the head of these trading departments who have no desire to have anything to do with accounts and money transactions; they are quite content to leave the responsibility for these matters to the finance department, provided that all necessary information is readily available to them. The electrical engineer is an expert in the operation of a generating station and the running of an electricity undertaking, but as a rule he does not claim to expertise in accounts.

55. Whatever may be said for and against a centralized financial system there are risks inseparable from a "one-man" or watertight system of departmental administration. I may illustrate them by two recent examples. First, the Wolverhampton case (1917), where the defalcations of the accountant clerk in the education department in connection with payments to teachers amounted to upwards of £84,000. These frauds, perpetrated over a period of fourteen years, were the direct outcome of uncontrolled power in the hands of one man and the virtual detachment of the Finance Committee of the Town Council from any concern with the current financial administration of education. Secondly, the Liverpool case (1921-22) where there was an overpayment of upwards of £350,000 by the Corporation to a building contractor. Here the powers of the Housing Committee and the Director of Housing were virtually absolute. The Government inspector who held the official inquiry suggested means for strengthening the hands of the City Comptroller as regards checking certificates for payments under contract.

56. As an instance in the contrary direction, I note that a standing order of the London County Council relating to the checking by the Finance Department of prices under contract which had been in existence for upwards of thirty years has recently been cancelled in the interests of economy.

57. The Departmental Committee on the Accounts of Local Authorities (1907) presided over by Mr. Walter Runciman, laid down a few general principles which should govern the distribution of accounting duties (*see Appendix F*). Their conclusions point in the direction of a central financial system. I am in cordial agreement with them.

58. The application of these principles to particular cases must be considered in connection with the magnitude of the local authority's operations and other local circumstances; the personal element, too, may be a factor of some significance, if only temporarily. Local considerations may cause the pendulum to swing one way or the other, but of the soundness of these principles there cannot be any doubt.

59. It may be objected that there is no such centralized system of accountancy in the State administration; each Government department

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keeps its own accounts, although there is a central paymaster. But apart from the entirely different circumstances the analogy breaks down, as the Treasury does not carry out the functions which fall to a finance department in an ordinary corporation. Nevertheless, the Treasury do keep a very tight hand over the details of expenditure under the votes of Parliament and possess a general power of direction over the keeping of accounts and accounting methods to be adopted in the different departments.

### AUDIT

60. Finally, there is financial control through the audit system. I refer to audit from the outside, not to the internal or domestic audit which in certain large towns is carried out by the financial officer.

The accounts of all local authorities other than, with some exceptions, those of boroughs are audited by Government auditors, known as "District Auditors." The education and assisted housing accounts of boroughs are similarly audited and there are thirty-five county and municipal boroughs, besides all the Metropolitan boroughs, where the Government audit system applies to all their accounts.

61. The functions of the Government auditor are shortly summarized by the Ministry of Health as follows—

"The function of the Government auditor is to protect the rate-payer and to ensure that the accounts certified by him are full, complete, and lawful, and that they properly disclose the true financial position of the local authority. The auditor examines the system of accounts and financial control to satisfy himself that they are such as to secure the prevention and detection of fraud. The wide experience gained by the auditor in the course of his duties is placed at the disposal of local authorities and their officers in all cases of difficulty."<sup>1</sup>

62. The Government auditor possesses powers of disallowing and surcharging illegal or excessive expenditure, but an appeal lies against his decision either to the High Court or to the Minister of Health with power in the latter case to remit the disallowance or surcharge. The auditor's powers in this respect are an important factor in financial control, and we have recently seen in the case of the *Poplar Metropolitan Borough Council v. Roberts* how far-reaching it is. Expenditure which in the opinion of the district auditor is so extravagant as to constitute a mis-use of public funds may be surcharged upon those individuals, whether members of the local authority or officials, responsible for ordering or incurring the expenditure.

63. The accounts of boroughs (other than those relating to education and assisted housing schemes) are audited under the provisions of the

<sup>1</sup> See p. 58 of the evidence of Mr. I. G. Gibbon, C.B.E., before the Royal Commission on Local Government.

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Municipal Corporations Act, 1882, by which one auditor ("Mayor's auditor," who must be a member of the Town Council) is appointed by the Mayor, and two elective auditors (who cannot be members of the Town Council) are elected by the ratepayers. This system is obviously futile and out of date ; it has been frequently condemned, but, like many other threatened institutions, still remains. One reason why this anachronism has not been swept away is that in many boroughs professional accountants are employed by the corporation to audit their accounts either by the authority of a special Act of Parliament or without direct authority except such as is contained in Section 19 of the Act of 1882.

64. None of these auditors has any power of disallowance and surcharge ; there is no statutory requirement on them to report to the burgesses on any extravagant or irregular expenditure although they may, and often do, so report.

65. The Joint Committee of the House of Commons on Municipal Trading (1903) recommended the abolition of all the existing systems of audit as applied to corporations, county councils, and urban district councils and the appointment of auditors being members of the Institute of Chartered Accountants or of the Incorporated Society of Accountants and Auditors, such appointments to be subject to the approval of the Local Government Board and to be for a term not exceeding 5 years, the auditor, however, to be eligible for re-appointment and not to be dismissed by the local authority without the sanction of the Board. The committee concluded that "in view of the thoroughness of the proposed audit, powers of surcharge and disallowance could be altogether dispensed with in the case of the major local authorities."

66. Much has happened during the twenty years since the Committee reported which might now lead to different conclusions. The Government system has been extended to education and housing accounts and utilized for checking other expenditure of the boroughs ranking for Government grants. The latter aspect of the matter is under review by a committee presided over by Sir H. M. Bunbury, K.C.B. The audit system itself has been re-organized and made more efficient. The district auditors are able to draw upon the pooled experience of their colleagues throughout the country and thus possess an undoubted advantage as a set-off to the necessarily wider commercial experience of professional auditors. But the system still has its critics mainly on the score that the district auditors possess legal rather than accountancy qualifications, and that their powers of disallowance and surcharge are excessive and irritating. The first is not a criticism against the system, and is of less validity than formerly owing to the accountancy test which district auditors have now to pass. The second objection is a matter of opinion ; I can only say that in my experience the system worked in practice without inconvenience.

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67. The Government audit system strengthens the hands of the financial officer. His ability to say to a committee that certain proposed expenditure is outside the powers of the corporation or is so extravagant or ill-advised that it might be disallowed by the district auditor and surcharged upon them is a potent weapon in his hands. I speak as one who has wielded this weapon on various occasions. Judged by such tests as its independence, its efficiency, its cost and its effectiveness as a safeguard against improper expenditure of public funds, the Government audit system compares favourably with any other which has been proposed.

68. I cannot conclude without a passing reference to a means of financial control to which public attention has recently been directed. I refer to the unit cost system under which expenditure is classified and brought to account according to the *objects* on which the money is expended rather than according to the *subjects* of the expenditure. The new form of army accounts is the most outstanding illustration of the possibilities of this system. Its applicability to certain municipal services is worthy of exploration.

69. In conclusion, I regret that this paper has extended to such an inordinate length. But the subject is a wide one, and I was invited to place on record the results of a long experience in the practical application of financial control to the affairs of the largest municipality in the world. I do not contend that the system which has been found desirable in the administration of the London County Council should be carried out with the same elaboration in all the towns of the kingdom, but I see no reason why the same principles should not be applied in such a manner as may be suitable to the local circumstances. The Finance Committees of the municipalities and large urban authorities of the country should be endowed with the necessary statutory authority. Even with such authority they can never be expected to exert an influence in their localities at all comparable to that wielded by the Treasury with its great prestige and traditional predominance. But by this means the foundation of a sound system of financial administration will have been laid down in many places where such does not now exist, and the public will have some guarantee that the interests of economy are not overlooked in the management of the vast funds now entrusted to their elected representatives.<sup>1</sup>

<sup>1</sup> For Appendices to this paper, see pp. 226-236.

## Whitley Councils in the Civil Service

BY G. H. STUART BUNNING

[*Being a Lecture delivered at the London School of Economics on 14th February, 1924,  
under the auspices of the Institute of Public Administration*]

IT may not be necessary but will do no harm to say at the outset that Whitley, like most other things, is not what it is assumed to be by many people. It is not a machine for delivering the control of industry into the hands of the staff, and it does not even give the fullest measure of joint control, although, subject to severe limitations, it gives a certain measure. On the other hand, it is not a device to allow workers in industry to make speeches to blow off steam and leave matters precisely where they were before. It is a scheme for providing opportunities for workers to explain their ideas more intelligently and intelligibly than can be done by memorials or mass meeting resolutions and of affording employers equal opportunities of stating frankly what is their position and what are their difficulties. It gives chances and opens up avenues of information both as to fact and to the workings of the minds of both employers and workers which do not exist in any other scheme of industry.

When the principle of Whitley is carried into effect, many things which seem harsh on the one side or unreasonable upon the other are shown to have some real foundation, and the harsher or more unreasonable features can usually be improved away even if the main trouble cannot be entirely eliminated, but this depends upon mutual frankness, and in so far as either side refuses information on fact or successfully conceals the workings of its mind, Whitley is in danger of failure, for its whole success depends upon "seeing what the other fellow thinks." In short, Whitley is neither a system for creating a new heaven and earth nor a device for lulling the workers in industry into an afternoon sleep of contentment.

With the above short statement of the principles of Whitley I turn to the reasons for the fact that it has been more generally adopted and, on the whole, much more successful in the Civil Service than in outside industries. They are to be found in fundamental differences which are often spoken of but rarely with an understanding of their real importance. The first is that the Civil Service by its very nature is not subject to the violent fluctuations of other industries. The railway and municipal services—especially the latter—are in somewhat the same position as the Civil Service with regard to these fluctuations, but are by no means

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identical, and the exceptions to the rule in the Civil Service itself are in the craft departments of the Admiralty and the War Office, where changes of policy, sometimes brought about with great suddenness, cause violent fluctuations, but in no case as violent as those which occur outside, for here there is a modification of the effect owing to the very fact that the suddenness with which a change of policy or of circumstance, such as a great war, may cause, compels the Government to keep a much larger nucleus establishment than is the case elsewhere. It is not necessary to pursue this point, because I am dealing only with the effect of Whitley in what is known as the general Civil Service, but it should not be left out of account in considering Whitley in the Civil Service and elsewhere. Another cause is that the question of profit is not the primary or even the secondary consideration in the administration of Civil Service departments, but in using the term profit it must be understood that I refer to that general but extremely limited definition which is known as financial surplus, dividend, balance, or other terms expressing money. In the true sense, every department in the Civil Service must show a profit or its existence cannot be justified. These important factors have had an effect which is seldom appreciated, for although our critics talk as though the pay and conditions of the Civil Service have grown up in the most hapless and accidental way, the truth is that the Civil Service is the one great industry in this country which can be said to have applied a scientific system to the conditions and pay of its staff for a period approaching seventy years. That some of its experiments have been unsuccessful and many of them painful may be admitted, and that a system has been evolved rather through the factors mentioned than through any deliberate thought-out intention of Government is probably true.

A careful examination of the wonderful series of reports from 1853 onward shows that the Commissioners really understood the importance of these factors, but an equally careful examination of the administration of the reports shows that they were not always grasped by Parliament, by heads of departments, or by the staff. In a dim kind of way they were realized by everybody and their very force compelled the Government on the one hand to devise pay schemes which do not rely entirely upon the law of supply and demand, and on the other to force the staff to view their positions from a different angle from that of a mere addition of a half-penny or a penny an hour to wages. For example, cases are not unknown where sections of the staff in the Civil Service have strongly objected to an alteration in their conditions even although it carried with it an increase of pay. In outside industries this kind of objection used not to arise at all, but during the later years of my service on the Trades Union Congress Parliamentary Committee I came across one or two instances and in each case they occurred in trades where successive alterations due in some cases

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to legislation had tended to approximate conditions to those in the Civil Service.

There are other smaller but important factors which show that the study and practice of wages and conditions in the Civil Service has differed from elsewhere. The outside employer and workman not only have in their hands the weapons of the lock-out and the strike, but both are accustomed to regarding them as for actual use and not for exhibition in a museum. Theoretically, both the Government and the Service staff possess these weapons and on occasion they have both been used, but, generally speaking, they have simply been rattled to make an ugly clanking noise, which, using the term in its widest sense, has only frightened a few old women.

Broadly speaking, it may be said that a Government is too dependent upon its Civil Service to indulge in the luxury of a lock-out, and while the staff is in a somewhat stronger technical position a Civil Service strike is not among the probable events of our time.

The other factor is that on the whole the Civil Service is the best educated industry in this country. There are other industries which impose educational examinations on their candidates, but I know of none which imposes this condition on practically all and only a few in which the work itself carries on general education, but this may be said in greater or lesser degree of the greater proportion of Civil Servants' work.

The result of all these factors was that in various ways, many of them almost unconscious, the Service hammered out an indefinite plan which differed only slightly from the principles laid down by the Whitley Committee. Where it differed it went beyond them in the direction of either full or joint control by the staff, but these claims were not general and were not always understood, even by the people who proposed them. It would be unjust to suppose that views on the proper management of the Civil Service were only in the minds of the staff associations for in a number of departments the chiefs acted to some extent on Whitley principles, and the Admiralty and the Post Office hold a particularly honourable record in this direction. Indeed, in the Admiralty little was needed to transfer from one system to the other. A study of the vast number of resolutions on the subject of management in the Civil Service and of the practice in some departments reveals an immense diversity of expression, but a groping towards the same end, even although the paths were tangled and often divergent. It followed, therefore, that when the Whitley Report was published many of us who had been thinking of these things for years should conclude that although we had not reached finality and probably never would, we had arrived at an important halting place.

Whitley might not give all we desired or even all we deserved, a very

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different thing, but it did conform broadly with what the Service had been expressing in many different ways.

This is not the place to recount the early history of the attempt to establish Whitleyism in the Service. Suffice it to say that the Postmaster-General seems to have been the first minister troubled by the matter, and he returned the very disagreeable but entirely correct answer that the question was one for general consideration as applying to everyone in the Service. Parliamentary agitation followed and the Heath Committee was set up. Perhaps I, who said some hard things of that Committee's work, am the best person to bear testimony as to its value. It was, I think, a little too much obsessed with the fact that the conditions of Civil Servants differ from those of workers in outside industries and a little too forgetful that after all Civil Servants were men and women, while it was also too much impressed by the statement of the original Whitley Reports that the application of their principles might require modification in certain cases. It should, however, in common fairness be admitted that the Committee did work of great value and the researches and even the conclusions of the Heath Committee were most useful to the Provisional Committee.

The Heath Report was not acceptable and the Chancellor of the Exchequer agreed to the setting up of a joint committee which after a deal of intense labour produced the constitution under which we now act.

When the Report of the Provisional Committee was published the effect was electric. We did not move quite so rapidly as in the Post Office of the United States, where hundreds of joint committees were set up in a single day, but for the first time in its history the staff of the Civil Service was united and the National Council came into being, to be followed by a very large number of departmental committees.

It does not absolutely follow from this that the Service was right, but it is certainly *prima facie* evidence, while what does follow is that something had been gained for which the Service had been hungering.

It remains to examine three points—

1. Was the system right and practicable ?
2. Were the items set down for discussion the right items ?
3. Has the result been beneficial to the public and service ?

The first is, I think, answered by the fact that no one seriously proposes the abolition of Whitley. It is true that people among the staff sometimes say that "Whitley is no use," and though I am not privileged to attend meetings of the official side, I can well imagine that something of the sort sometimes takes place there, but no one seriously accepts it and in some cases it is doubtful whether they would be pleased if their suggestions were adopted.

On the whole, it may fairly be said that the system has worked well for the public, the officials and the staff.

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The second point is best dealt with by looking at the items which were actually laid down by the Provisional Committee—

1. Provision of the best means for utilizing the ideas and experience of the staff.
2. Means for securing to the staff a greater share in and responsibility for the determination and observance of the conditions under which their duties are carried out.
3. Determination of the general principles governing conditions of service, e.g. recruitment, hours, promotion, discipline, tenure, remuneration and superannuation.
4. The encouragement of the further education of Civil Servants and their training in higher administration and organization.
5. Improvement of office machinery and organization and the provision of opportunities for the full consideration of suggestions by the staff on this subject.
6. Proposed legislation so far as it has a bearing upon the position of Civil Servants in relation to their employment.

As to the first provision of means for utilizing the ideas and experience of the staff, the multiplicity of committees on all kinds of subjects and the result of their work proves that this function has been widely exercised. It should be noted that though the Provisional Committee thought that functions 1, 3, and 5, differed in practice, they have tended to become the same.

It is in function 2 that we approach something like joint control, and although I do not profess to be entirely satisfied with some of the things which have taken place, particularly regarding the observance of conditions, a great deal has been effected. I think more might have been done had there not sometimes been exhibited the feeling that a report once made passed out of the hands of its authors and its administration was entirely a matter for officers of departments. In the cases of reports of Royal Commissions and Select Committees this was probably the only practicable way of dealing with them, but joint reports mean joint responsibility, not only for their text but for their administration.

On function 4, further education, much more has been done in this matter than is generally understood. The results are not yet apparent, but that is mainly because a great deal of clearing work has had to be done.

It is perhaps on function 6, proposed legislation affecting the staff, that least has been done. The Superannuation Committee is struggling with the subject, but so far as it has got has only discovered the many obstacles in its path.

If these items are taken one by one it will be found that their scope embraces everything of importance, and what is perhaps more germane to this lecture, it will be discovered that everything within them has been the subject of helpful discussion.

I do not pretend that everything in them has been adopted to the full. Time passes quickly and although it is nearly five years since the setting up of Whitley, a lustrum is too short a period to ensure the full effect or even the full understanding of so far-reaching a scheme, but it is long enough to demonstrate its utility and its value. Of that I claim there is abundant evidence.

The mention of critics reminds me that the other day a representative Irish correspondent was lamenting that the Irish Free State Government would not agree to set up Whitley. He paid a generous tribute to its

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success on this side of the water and the special interest of his letter to me was that when we were all together the severest and most relentless of our critics were found in Dublin. My own view is that were Whitley to be abolished here a good many of its critics would find that they had lost more than they had gained.

In dealing with criticism, it should be said that in some senses it was probably a misfortune that our first task was a large and picturesque thing like reorganization.

In the nature of events, it could not be followed by a series of equally picturesque things, but it created a feeling that it could, and that most which has followed has been very small beer.

In the circumstances this was inevitable, for the position dealt with by the Reorganization Committee had not only become intolerable, but had been condemned by the Royal Commission of 1914, and if it is permissible to say so, had become more intolerable by the many changes brought about by the war.

The Reorganization Report did, however, create a feeling that Whitley would always be playing Hamlet and this was intensified by the agreement regarding the bonus, but in fact Whitley, like the rest of us, must be more often concerned with the small things of life than with the great ones.

This feeling has been unfortunate for Whitley and has diverted attention from the very good work done by both the National and Departmental Councils. I have already mentioned the Admiralty and the Post Office, but the Customs and Excise Council is perhaps the clearest example of the immense amount of work which has been done. The staff side of that Council issues a remarkable booklet showing hundreds of matters which have been settled. Some of them are national and, of course, not all of them are staff successes, but their value is both as a record of work and a testimony to the educational progress which is going on right through the Service.

There is one feature of Whitley work which is seriously undervalued ; viz., that part performed by the smaller bodies known as Office and District Committees. They are severely and in some cases, I think, too much restricted in power, but they perform a most valuable service in bringing together the minor official and staff sides if only because we all like to know how the wheels go round and to do so eases many difficult situations.

It is true that particularly in the Post Office this feature is the subject of more grumbling than any other, but that is, I think, due in part to an incomplete understanding of the functions of such committees which will be swept away by experience and in the Post Office to the great and somewhat unnecessary limitations placed on the powers of the official side chairman.

Then I think without doing injustice to anyone, one may regard the

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Institute of Public Administration, under whose auspices I am speaking to-night, and the Sports Council as by-products of Whitley, for without the comradeship it brings about they would have been impossible.

I should sum up this part of my address by saying that the general effect of Whitley has been already and will be increasingly to give the public a better and more efficient service. I do not say more contented, for increased efficiency will bring with it that passion of desire which men call discontent and I do not want content, for content means stagnation. It may be consequently that the public will in the end pay more, but it will get more.

The benefit to the staff may be expressed in almost the same terms, for we should never forget that the public and the Civil Service are not two hostile bodies, but really parts of the same body. The staff has been brought together and the necessity of this has been shown in the fact that formerly there was a real ignorance in many parts of the Service as to the conditions and even the existence of some branches. It has learned much with regard to the principles of administration and with respect to the rules and still more the reasons for the rules which govern it. It has, in a word, been able to peer into the official mind and into the reasons of special and general policy which actuate decisions with regard to the staff. It has also, I honestly believe, learned through Whitley to take more pride in its avocation and to understand better the responsibilities of working for the State. It has also learned to appreciate and understand many things of which it formerly had no knowledge and which it generally resented. I do not say that formerly these things had no existence, but what I do claim is that now they are the possession of the many instead of the few, and the more widely we can diffuse education on any subject whatever the greater will be the resultant benefit.

An address on Whitley in the Civil Service ought not to be a panegyric and I turn to certain points which have caused serious trouble and which must be dealt with sooner or later.

It is possibly too strong a term to call them defects but they are most certainly difficulties.

The first trouble of Whitley machinery was fully recognized by its authors, for they saw that a body which worked entirely by agreement would sometimes leave matters where they were simply because no agreement could be reached. They trusted to the good sense of the two sides and to the slow though valuable progress of education to lessen and possibly ultimately to eliminate cases in which compromise could not be effected. They did suggest in a tentative fashion that legislative effect might be given to Whitley decisions, but this recommendation has not found favour, and in any case is difficult of application to the Civil Service. It must be confessed that this happy period of complete education and understanding is still some way off, although not so far as may be

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imagined, and in the interim some method has to be devised to get over the difficulties. The constitution of the Civil Service Whitley Council suggests one or two methods which in practice have not been very much used. In the nature of things the suggestions can hardly apply to acute differences and both sides realizing this possibility, assumed that the Conciliation and Arbitration Board would continue in existence. I do not propose to enter into the reasons for the abolition of that Board, but circumstances have shown the necessity for some such machinery, and as both the Government and ourselves agree we may assume that it will shortly be in operation. I do, however, want to lay down that the less arbitration machinery is used it will testify to the success of Whitley, and the more it is used the more danger of losing the real advantages of Whitley. The peculiar difficulty of the Civil Service is the over-riding power of the Government, and although this does not differ in essence from the over-riding power of the State, distinctly mentioned in the original Whitley Reports, in practice it is a much more real thing in the Civil Service than in outside industries. Indeed, at a Conference in Geneva a while ago an acute foreign observer said that in this country employers' associations and trade unions were so strongly organized that they were able to reduce legislative intervention to the minimum. In the Civil Service this is obviously not so, and if interventions are made by Parliament, either with or without the consent of Government, we have no more complaint than any other citizen who grumbles at the vagaries of Westminster, but it is another matter if, as happened on a famous occasion, we are suddenly called by a Minister to an interview and told that the Government without recourse to Parliament has decided this, that or the other interference with Whitley decisions, whether explicit or implied. I do not quite know how the difficulty is to be got over, but having regard to all its possibilities I express the hope that it will never recur.

The safeguards against mistake on the official side of Whitley are so great that if by chance one does emerge it would be better for the Government to accept the responsibility for error rather than make a greater one in setting it right.

It has always appeared to me that a mistake of some magnitude was made by the Provisional Committee which set up the Whitley Constitution, for with the exception of one or two of us, everybody agreed that Whitley was not a different method of dealing with the Civil Service, but simply supplementary to those which already existed. I think the explanation is to be found in an excursion into psychology. On the official side there was rather a fear that Whitley would submerge the higher administration unless its activities were somewhat clipped, and on the staff side a corresponding fear that association activities might be materially impaired and the results be disastrous. Whitley was

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therefore entered upon as an experiment, whereas in fact it was an evolution and largely replaced older fashioned types of machinery. On the staff side this has its drawbacks. It throws immensely greater responsibility upon the representatives who find themselves confronted with facts and have to accept compromises in order to obtain practical results and, indeed, may have to admit the argument of the other side is so strong that the staff side case must be modified or abandoned. It is rarely, if ever, possible to set down all the reasons for a decision either in a memorandum or to a mass meeting, and it sometimes happens that a perfectly legitimate conclusion benefiting almost the whole of the staff is gained by giving up some benefit to a small section which might have been gained had it been able to take up its case by itself. There is at the moment an outstanding example of this kind where a certain Whitley Committee having gone into all the facts concluded an agreement which has been of tremendous benefit to a very large number of civil servants, but there are a few who might conceivably have gained more in another way. If they had, the larger number—and it was a very much larger number—would have suffered. The natural result is that a good deal of abuse is showered upon the unfortunate Whitley counsellors, for those who gain, forget, while those who lose, remember.

Perhaps, worst of all, there is little limelight in Whitley proceedings and I confess that, speaking personally, it is far pleasanter to get up at a mass meeting of four or five thousand people and rouse them to incredible enthusiasm by a recital of the villainies of the Treasury than to meet that same Treasury across the table where one has to speak with bated breath and much more reasonableness than is common to most of us, even if the results are far more profitable. After all there is much more real satisfaction in burning a man in effigy than in going to shoot him with the chance that he may be the better shot.

All this shows that Whitley is not a supplementary method but a different one and is to be judged by the results it brings forth as compared with the older methods. It may, I think it must, eventually alter the working of associations. It will transform them from somewhat vituperative and protesting bodies into committees of negotiation and experiment, and here one gets to another mistake made by the staff. No one cares to spend much money on experiment, and such research work as has been done has been done largely by people who are already overworked and in some cases indeed at their expense. The result is that the Intelligence Department of the staff side of Whitley, and I believe this applies to outside industries as well as our own, is often badly served, and some at least of our disappointments have been due to poor staff work.

These are difficulties which will probably mend themselves, but they still leave that of organization. For obvious reasons the official side does not suffer in the same way as the staff side, for the organization of the

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latter is analogous to a trade union organization, or at least a trade union confederation, but in the overwhelming desire to set the machinery in motion the national staff side was constituted in rather a haphazard way and it is not certain that the principle was always observed. In each case, however, good reasons were adduced, and it is in the departmental councils that the difficulty of principle is greatest, for in one or two instances the associations who gained membership cannot be styled trade unions, even in the widest possible sense, yet the simplest reading of the original Whitley Report shows that the whole scheme is based upon the workers' side being organized into trade unions and although the question of nomenclature is unimportant the spirit of the association is everything. Things have worked more smoothly than might be expected, but in this connection two important problems have presented themselves. No one would, for example, claim that the Civil Service Benevolent Fund or the Post Office Relief Fund come under Whitley, but there are associations where the decision as to right has not been easy. One of the demands is for a purely ex-service representation and the other for sex representation. Neither of these is really within the confines of Whitley, and it is not easy to see how such representation can be granted without breaking up the Whitley principle. To me a much more difficult matter is that in so vast and complicated a service grouping is necessary, but there is no simple way of grouping and for one reason or another grouping may become more and more difficult. Groups, even if satisfactory when first formed, may and do break up. It is, of course, easy to suggest that such actions are not uncommon and it should be possible to re-group when they occur, but these troubles are not considerate enough to happen just when a constitution is in the melting-pot, and if continual re-grouping is sanctioned it would appear to offer a premium to the policy of breaking up groups.

It might be possible to lay down a rule for all staff sides that a grouping once established must last for a period, and if circumstances occur in that time causing some part of a group to fall away, the remainder should fill the vacancy until the end of that period, but this would have to be coupled with a rule that the staff side groups of the Service would convene meetings or make suitable arrangements for any proposed re-grouping to be fully and fairly considered.

These suggestions may or may not be practicable, but whatever may be dubious in this matter it is clear that Whitley should represent the whole of the Service, so far as its objects concern the members and if it does not, serious obstacles must arise.

No one wants to get back to the bad old system of badgering Members of Parliament on Civil Service questions, but some outlet for grievances or desire is necessary and none is so easy or efficient as Whitley.

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If I have succeeded in making intelligible the principles, the achievements, and the defects of Whitley as it applies to the Civil Service, I may add a few words regarding its future. It has made mistakes, but, as Renan says, through our mistakes we make our discoveries, and none of the errors have been of vital importance. It moves slowly, yet less slowly than the old machinery, and many of the questions with which it deals are so important and far-reaching that prompt conclusions would be mischievous, although they would be welcomed at the moment.

The inter-relation of the Civil Service is only beginning to be realized, but this inter-relation carries with it the fact that a decision upon an exceedingly small point may affect many thousands. It may be, it probably is true, that in some cases Whitley moves more slowly than it ought to do, but, generally speaking, the somewhat leisurely progress of Whitley negotiations is justified by the event. It is far better to wait a little to get a settlement which is generally understood and where there are few complications rather than a hasty decision which causes infinite trouble later. I do not pretend that settlements arrived at even after long drawn-out negotiations are not sometimes the cause of trouble, but I am certain that the trouble is less than it would have been had the decision been arrived at earlier. In this matter also one has to recollect that the negotiators do not give their whole time to Whitley and cases arise where it is impossible to fix up meetings because members of either the official or staff sides have other engagements. It would probably be a much worse evil if negotiators did none other than Whitley work, for in that case it might become wooden as most other boards, so while deplored the slowness of Whitley I console myself with thinking that they are quicker than those with which I was acquainted for so many years and have their compensations.

Looking forward I anticipate the time when Whitley Councils will work more smoothly and will possess great powers, but this I am confident will come about not by resolutions or speeches demanding more power but by the solid fact that the powers already possessed have been used with discretion, good sense, and benefit to the community.

Nothing has interested me more than to find the great curiosity of Civil Servants in other countries with regard to our experiment. Many of them have visited me, others I have seen in their own countries, and others again have written me. In every case they have expressed their admiration for the courage with which we have tackled a problem which at one time seemed insuperable and in some countries, notably the United States, steps have been taken to set up something comparable with our own Whitley.

I have said that I do not look forward to the time when we shall be contented or, in other words, when wages and salary demands will be no more, but I do look forward to the time when these will occupy a relatively

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small portion of the work of Whitley and when we shall be able to devote the major part of our energies to devising schemes whereby the efficiency and the usefulness of the Civil Service will be raised to the highest degree. This depends on our realizing that Whitley is not just a matter of bread and butter but that it is something which if rightly applied will raise the Civil Service to the position which it ought to occupy in the public eye and will make the position of a Civil Servant one of the most honoured in the State.

## Announcements

### **Report of the Judges on the Essays Submitted in Competition for the Haldane Prize**

TWO subjects were proposed for this competition. Thirty-one essays were sent in ; of these twenty-three dealt with the subject " How far and under what conditions is routine work valuable as a training for higher work." Only eight dealt with " Criticisms on the Civil Service and proposed reforms." Three of the candidates neglected the provision laid down in the published conditions that the essays should be sent in under a pseudonym ; these three essays have been read, and since none of them is high up in the competition, it is not necessary that they should be formally disqualified.

The judges appointed by the Council unanimously award the prize to the candidate who writes under the name of " Administrator " <sup>1</sup> an essay entitled " The Civil Servant and his Critics." They also unanimously consider that the two essays on routine work sent in by " W. X. " <sup>2</sup> and " Sassenach " <sup>3</sup> deserve honourable mention, and they place these two essays in the order in which their names occur in this report.

STANLEY LEATHES.  
A. B. WALKLEY.

<sup>1</sup> A. V. Tranter, Esq., Inspector of Taxes at Coventry.

<sup>2</sup> J. S. Dunbar, Esq., Executive Officer, Board of Agriculture, Scotland.

<sup>3</sup> F. Merson, Customs Officer, London.

## Summer Conference

THE Summer Conference of the Institute of Public Administration will be held in New College, Oxford, from the 18th to the 22nd July.

## Psychology of Communications

BY JOHN LEE, C.B.E.

**T**HIS paper is largely of a conjectural type. It is not intended to be dialectic ; it is certainly not intended to be dogmatic. Its object is to try and put us into a long distant future, so that we may realize what may happen to the means of communication of ideas, if we only knew a little more accurately how to use the modern discoveries in psycho-analysis. It will not really be a serious paper in the sense that seriousness is usually understood to include a weighty contribution to a subject. It is an exploration merely—I hope a genial exploration—into the complexity of motives which lie in human nature, commonly called the psychological motives, for the use of different methods of communicating ideas. Those of us who are concerned with telegraphs and telephones are concerned with the rapid communication of ideas from human beings to human beings. We usually speak of our work in the dead statistical language of traffic. I want us, if we can, to go rather deeper than the dead statistical language of traffic and try and seek, if at all possible, the underlying stimuli which result in telegrams and in telephone calls, and at the end to gather together, if possible, a few fragmentary ideas and apply them to various modern developments, including the new science of broadcasting.

We may as well begin at the beginning, and in beginning at the beginning I want to draw your attention to certain anthropological studies of the very earliest developments of what are commonly called psychological studies. I quote first of all from Professor Thompson's book *What is Man*, which is the best statement I have seen of primitive man in his relations to other men. "In what way," he says, "did language serve as a factor in this earliest progress? It obviously made for safety and prosperity to be able to send news around a little community—'The leopards have gone off, but there is a terrible storm coming.' It may be an idiotic message which primitive man in his cave sent to other primitive men in their caves, and it may, with the evolution of the finer feelings, be able to give some articulate expression to them. As the French say, 'We must not only love; one must say that one loves.' There must have been a means of social medium in the earliest boatman's song. . . . What was true of the Marseillaise was true in its measure of the sentiments of primitive man." Man came to be a human instrument because the heart was meant to give forth its need and its desires for co-operation ; and if you go into a modern telegraph office, or if you go into a modern telephone exchange, you will find that in this most highly civilized age of

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ours, with these methods of communication, all the messages they send can be grouped under precisely the same headings as Professor Thompson groups the stimuli which urged primitive man forward to communicate with other primitive men. Presently I shall try to show you that in some respects these modern means of communication are a substitute for faculties and capacities which we have lost, but at the moment all that I want to contend is that in its most highly organized development the communication of ideas, as we know it to-day, can be grouped under precisely the same four headings as Professor Thompson grouped them in dealing with the very earliest progress of primitive man.

There are psychologists to-day who tell us that we are on the eve of vast discoveries. If you will read Mr. J. C. Squire's new book you will find there a reference to what a recent psychologist has said, that "our contact with each other is as yet imperfect. Psychological discovery is only beginning; the gates between mind and mind will all be broken down; it will not be a question of universal candour, but of automatic communication and sympathy." At any moment when we will we shall be able to make that automatic communication and convey that sympathy. It may be so. I am not quite sure that I want to be alive when privacy is altogether broken down. I prefer the ordinary methods of telegraphs and telephones, because at any rate you need not open a telegram, and you need not answer a telephone ring. You can maintain your privacy to some extent. But let me point out to you that in the centuries which have gone there are definite evidences that we have lost means for the communication of ideas. The examination of the skulls of primitive man seems to show that he could not speak, that his machinery for articulation was imperfect. The delicate distinctions between consonantal and vowel sounds he could not fashion, but it is evident that he was able in some way to communicate joy and sorrow—the joy of life and the sorrow of death. These clumsy methods of communication conveyed not merely crude intelligence, but also conveyed emotions and deep feelings. Those of you who remember Macaulay's ballad describing the beacons after the Armada will realize that running right through it was not merely the newspaper headings that the beacons had shone, but the deep emotions and pride and sense of conquest which commanded the lighting of those beacons. Just exactly forty years ago there were experiments made between Liverpool and London by Mr. Malcolm Guthrie where actual written messages were conveyed by telepathic means, and those of you who have been in the East will know that there are exact scientific records of daily messages being carried across whole continents, and always having behind them something more than the mere conveyance of information, something more than the mere news, some deeper stimulus, some deeper yearning, and some deeper design.

Now to come from this somewhat curious data of old times into their

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application to our commonplace science of telegraphy and telephony, I want to try and lay before you in the simplest possible form a very few instances to try and show you that there are two aspects of the relation of psychology to these modern methods of the conveyance of ideas. In the first place the motives or the stimuli which lie behind that conveyance are very much more complex than we are apt to think ; and in the second place, the conditions or human limitations which govern or divert the direction of those ideas are more rigid and hard and conservative and more instinct with inertia than we are ready to believe. In 1895 I was a telegraphist in the Isle of Man. In the summer the island is packed with visitors, largely from East Lancashire, and in 1895 the idea of that class taking their holidays had reached its zenith ; they were proud of taking their holidays ; it was a new social factor, and they came there in their thousands, and they all came to the telegraph office and despatched telegrams "Arrived safe ; not sick." I saw them coming off the boat, and welcome though the telegrams were, they were not necessarily accurate. Now what was the motive lying behind the sending of this simple telegram ? They did not send it because the parents at home were anxious ; it was not that they wished to convey any particular information, because the information in three cases out of every four was inaccurate. It was not the transmission of news. No, you must look for some deeper stimulus, and the deeper stimulus was this, that the travelling and the holiday were an epoch, and the epoch needed something at the top of it, something gilded like a ball on the top of the dome, and the telegram was the last glory of the journey, the last coping-stone of a social achievement.

When the telegraphs came, as one may say, into public life in 1870, the new facility became so allied with disease and with illness that people thought the telegraph service was devised to announce diseases and illnesses. We issued a very beautiful form, the number of which I do not remember, but it was issued to the public who wished to make a complaint, and it is put in catechetical form. You are asked to state your name and where you handed the telegram in, and the time, and the name of the person to whom the telegram was addressed, and the place to which the telegram was addressed, and the last line says : "Nature of complaint." I have seen these forms filled up with the nature of the complaint "Rheumatism," showing that the complainants expected on our part a singular intimacy with the particular malady.

We were dealing with Christmas greetings to the Colonies. I have been told a story which I ought not to have been told about a boy last Christmas who was delivering a telegram in a West End square—one of these Christmas greeting telegrams, and he was asked into the house just as they were beginning to seat themselves for dinner. It was the house of one of the chairman's brother peers, and our small messenger

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boy was brought in, and he was placed on the right hand of the host, and he was asked to toast the absent boy from whom they had not heard for seven years, but who was roused by a psychological stimulus to send a Christmas greeting. It may be that in that way we are going to learn something ; it may be that before long we are going to find some way in which we can discover public needs and demands for a service of transmission of ideas of which as yet we are innocent. In the United States they have a book of model telegrams—for death, for marriage, and for domestic affairs ; it is just an organization of a vast machinery to provide for the same needs as those of primitive man when he wished to adopt the language of alarm or to coo his affections in a soft voice. This is a not inconsiderable portion of the matter of fact business to which we put our hands day by day. Herbert Spencer, I dare say you will remember, expected a revolution in human nature from this means of rapid communication of ideas. We shall attempt later on to try and decide whether the written word or the spoken word will be predominant in the transmission of these ideas in the next stage. But before we decide that exceedingly ticklish and difficult question let us pass on to telephony and see if we can extract anything out of telephony on this subtle problem of the psychology of communication.

The telephone, of course, by some curious reversion followed the transmission of the written word. It might have been different if it had come in historical sequence before the transmission of the written word, but historically it came after the transmission of the written word ; and a very great deal of the psychology of telephony depends upon that very fact. A great deal of the curious stilted speech which you hear in the use of the telephone is due to the fact that people will speak as though they were dictating that which they had written. Their point of view is mentally fixed, as though they were dealing in *litera scripta* rather than in the spoken word, somewhat as a university lecturer "talks books." If we could get simple naturalness in speech on the telephone we should have achieved much for efficiency.

Now the telephone comes into all sorts of difficulties of its own, and it is largely in connection with the telephone that we find the psychological limits or conditions to which I referred at the outset as the second heading of the relation of psychology to the means of communication. Whatever may be our own theory of the categories of time and space, the telephone illustrates very remarkably how strongly the framework of space is on our minds. Until we get this psychological realization really clear in our minds and combat it, we shall never use the telephone efficiently. No matter how science may improve the mechanical or electrical devices on which telephony is based, so long as we have it at the back of our minds that we are shouting across a valley we cannot get the best results. Of course with the experts this idea of distance vanishes.

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They are trained that it shall vanish ; they are trained to use delicate inflections, delicate inflections that they do not use in ordinary speech, largely because with facial expression and gesture those inflections are not needed and cold speech can be corrected all the time. The louder you speak the more stilted the phrase, the nearer you are to what Queen Victoria said of Mr. Gladstone, " He addresses me like a public meeting." The louder you speak the more you speak in a rigid framework of language, and we speak on the telephone, as I have already said, in the method of the writer and the public speaker rather than in the method of the conversationalist. All sorts of reasons there are for this, principally, I think, that the conception of distance is hammering into our minds.

Let us carry it just a little bit further. I am assured that love-making on the telephone is only indulged in by rare souls who have learned to trust the instrument thoroughly. If you want evidence of this come with me to the realm of fiction. English fiction makes a great deal of the love interest ; yet you never can find an instance of a love scene on the telephone. The nearest I can find is in a novel written the year before last by a popular novelist, and I will repeat to you as well as I can the little paragraph that described this particular incident : " Molly." " Yes, dear." " Did you get my letter ? " " Yes, what a lovely letter." " Which part did you like best ? " " Oh, the last paragraph—it was lovely." " I'll write again to-night." " Will you say it all over again ? " " Yes, dear." " That will be lovely." Now I want you to apply psycho-analysis to that. Do you observe how these two people carefully evaded letting anybody know what they were talking about ? They trusted a sealed letter in an envelope ; they would not trust the telephone. They referred in terms to the paragraph in the letter sent yesterday, and they intimated that there would be a similar paragraph in the letter sent to-morrow. The man who can say boldly and plainly on the telephone " I love you " ought to be given a statue in Queen Victoria Street, which really needs a picturesque statue. Now the writer of that novel was perfectly certain that on the telephone you can only hint at what you intend to say. People in ordinary life go all round what they are going to say on the telephone except in the kinema. Telephone conversations in the kinema are the real thing. It may be that we cannot judge correctly what we see on the sheet, for visible lip-speech has dangers, but what we see in the telephone conversation in plain English—or plain American, as the case may be—seems to indicate that they do tell directly what is in their hearts, and a little more than is in their hearts. This timidity in respect of fully trusting the telephone just shows our ordinary failure to break down our psychological misunderstanding of what this means of communication might be to us, and there are some telephone philosophers who think we shall never get rid of this difficulty until seeing by telephone becomes an accomplished fact.

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Now as to time. For some reason which I am utterly unable to explain, nobody can tell the exact passage of time when they are using a telephone. To many of us a short period seems inconceivably long. But there are other citizens and friends of ours who are affected just in the contrary direction. They simply will not believe the time goes so quickly. "The girl," they say, "had not time to try, and before I got the number out she said 'Engaged.' They are talking to their young men and not doing their work." The telephone renders people utterly unable to gauge the passing of time. There is a very complicated psychological explanation of this which I do not think I will venture on, but it runs something in this direction, that just akin to misunderstanding of space, there is in distance from the point of view of time a precisely similar misunderstanding. It has a bearing upon the wrong quotation of numbers from the telephone directory, and it has a bearing on that most singular of all things, the deficiency of human memory from the page of the directory to the mouthpiece of the telephone. It seems as if our memories are more accurate as regards four figures than they are as regards five figures to an astonishing degree. The psychologists who limit sub-conscious attention to a certain number of beats can find full confirmation in telephone practice. There are more subtle aspects. Take etiquette for instance. Now in the small village in Surrey where I live we are particular about etiquette, and if a person is ill, you must not ring up on the telephone, you must make the journey, you must show physical as well as mental interest. You can ring them up to ask them to play bridge, but not to come to dinner. I was at Hull a few weeks ago, and they told me it was exactly the contrary in Hull. They there ring you up to ask you to dinner, and always write to you to ask you to play bridge. The only explanation I can give is that Hull is the only corporation system in this country. But there are other things to be remembered. In a village not long ago a young man came and set up in business in order to sell gramophones and listening-in sets, and he said he had spent some months in America and we were hopelessly behind. It is true, no doubt, but he was going to keep us up to date. He set to work at 8 o'clock each night to ring us up in turn and to ask if we were dull at home that evening. That wants answering in the bosom of your own family. So we formed a deputation and called on him and drew his attention to the *Post Office Guide* and the half-penny circular, and he is adopting that method in future. The telephone has its limits after all. It is all very curious, and one might carry the consideration a long way in discussing to what extent numbers are affected psychologically—how the number 324 will be made into 234. You can trace intimate structures of the human mind in the aberrations of the mind over these things, and similarly there is the very remarkable fact that in listening to the telephone you

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cultivate a contributory sense. You will not forget that the hearing-piece of the telephone is only a metallic diaphragm and that the vocal chords with which you and I speak are exceedingly sensitive things capable of being tuned to any note. You are going to take these vocal chords, with their exceeding sensitiveness and you are going to say that that metallic diaphragm is going to do it all and—it will not. It will only show the outline of it, and you learn the contributory sense in attributing to the instrument something which is not conveyed to you. As Browning says: "Out of three sounds he makes not a fourth sound but a star." If you can draw on paper in a diagram form the impulse which you receive and you think you receive, you would find that it means a contribution on the side of the so-called hearer. More than that—much more than that—there are exquisite sympathies and exquisite antipathies which run in a strange psychological way through the use of this instrument.

Sometimes a subscriber will put down his telephone and all he has heard from the girl is perhaps some eight or nine syllables. He will say "This is a really nice girl." He is probably right. Probably this curious conveyance of character behind that little group of syllables has been gradually pictured and perfectly pictured in his sense of judgment of character. You and I know cases ourselves where we have been irritated without the least tangible sense of why we are irritated by certain persons in speaking to us on the telephone. Here is a man asks for a number, hears just the response "Number please," gives his number and says to himself that if the worst comes to the worst he would gladly take that girl for a daughter-in-law. But there is rather more in it than this. You must not forget that in ordinary speech, as I have shown, we temper what we say by a look and a smile. You know Bernard Shaw's comment in his comedy, *You Never Can Tell*. He refers to the gift which is given to us of saying either unkind things in a kind way or kind things in an unkind way. Here is John Smith, who is a decent citizen. He is always known to be a brute on the telephone, though he is courteous and kindly in his other relations. Why is it? It is not that John Smith changes his spots, like the leopard, when he uses the telephone, but that the telephone reveals the spots, and that the telephone takes us right into the very cupboard of the heart and finds the skeleton there, which is more than Mother Hubbard could find. It is an amazing thing that judgments of character by telephone are often far more accurate than we suppose. There are recorded cases where weaknesses of character, revealed by the telephone but put down to the discredit of the telephone, became generally obvious apart from the telephone in after years. There is room for a vast amount of research on these phases of human nature in the communication of ideas.

Now for a word or two on the subject of broadcasting. What

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is going to happen with this new method of communication of ideas? Does it really mean that you and I in the future are going to get cold knowledge brought to us properly prepared, not distorted by any mere orator, not distorted by personality at all, just cold useful knowledge, solid bedrock facts without any glamour about them? Do we want it brought to us in that way? That is the real trouble. The sense of isolation that runs through this new means of communication is a very real sense. It is true that a million others are listening, but that does not affect the sense of isolation. It comes, apparently, from the absence of the power of articulating feeling. I heard a story of an elderly lady who is an invalid, who was consumed with jealousy of the little girls who had birthdays and who got a personal message from headquarters, and she arranged with her companion to assume a girl's name, and sent up to headquarters that it was her birthday on such and such a day, and with great joy the old lady was spoken to as "Little Dolly," and they hoped she would have a nice party and that her friends would like the cake. After that she had a party every fortnight to get over the isolation. I do not put these things in a scientific way, but it is as well to look at this question from its psychological point of view. It may be that we are getting entirely new vistas on the communication of ideas. It may be in a phrase that ideas are going to be communicated as ideas and not distorted by emotion or with prejudices or with pre-conceptions.

And now one word in conclusion. I have escaped one issue, but I must touch upon it. I think myself from my experience in the last few years that there is a tendency now to re-emphasize the written word in contra-distinction to the spoken word. I think I see many tendencies of this. I did think some years ago that when we delivered telegrams by telephone—that merged service of the two services, so to speak—it would be a final act, and that in time the public would not want the written message delivered. I have changed that opinion. I have found that they want both. They want the written word largely because we have all in us some sense of the tangibilities. There was a great deal in what Mr. Cyril Burt said: "It was all nonsense to take man as a carcass inhabited by a spirit. Body and spirit are interpenetrated and are one complete whole." The written word and the spoken word and the spirit behind each cannot be separated in practice as we suppose. Has it ever struck you in the past in dealing with these means of communication that it may be that unconsciously we have realized that they are of more vital importance, more closely and fully connected with the depth of the human spirit than we have realized, or our predecessors have realized? They are something more than a mere mechanism.

When Napoleon insisted on the nationalization of telegraphs after seeing the first semaphore on the northern coast of France, it was not

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because he realized their actual value, but because he grasped from intuition that they meant a commonness of intercourse which might affect human relationship. It is true that in his mind the military aspect was paramount, but there again we must remember that to Napoleon the military aspect included the common man's daily use. It is recorded that he said: "Nobody knows what they may mean to mankind." That would be the text of the lesson which I would venture to point out. Nobody knows what this may mean to mankind. There are indications all the world over in the direction of realizing the greater depth and width of what these communications may mean. They have not nationalized the telephones and telegraphs in the United States, but they have appointed Commissions which from the point of view of the public rules them, controls their dividends, and the quality of the service which they render. Under the conditions which obtain in the United States this comes as near to public administration as one could expect in the circumstances. In fact, it is not too much to say that there is a general sense that these means of communication are not to be exploited in this or in that way but that they are to be put at the service of mankind for the good of mankind. It is the psychology of communication gradually coming to light which has emphasized what I may call the moral and spiritual aspects of the interchange of ideas. That it has a bearing on public administration is, I think, evident beyond question, that it will have a greater and closer bearing as time goes on must be my final apology for this venture in conjecture.

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## *Reviews*

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# Reviews

[It will be the object of the Reviews of Books in the JOURNAL to cover the whole ground of the literature produced in the preceding quarter which may have a bearing upon public administration. By this means, it is hoped, some assistance will be given to the student and some direction to the general reader. A judgment of the value of the books will be attempted, as a portion of the ordinary duty of criticism, but the particular value of the book in its relation to the advance of the science of public administration will be regarded as the paramount criterion.]

### I

#### The German Republic<sup>1</sup>

BY G. MONTAGUE HARRIS

ON the 31st July, 1919, the German National Assembly at Weimar, by 262 votes to 75, adopted the new constitution for the German Reich, which came into force a fortnight later. Whether or not this constitution proves to possess the quality of durability, its establishment is an important fact in political history.

It is the claim of its authors that this constitution is the most completely democratic which the world has yet seen. In this claim they seem to be justified, whether for good or ill. The committee which prepared the draft made a close study of the constitutions of other countries and other times and clearly found them all, in most respects, wanting from the point of view of modern ideas of democracy.

Dr. Meissner sums up the position well when he says: "The new German constitution is a legal creation which is peculiarly German in character, no copy of other democratic constitutions. It is true that examples and suggestions have been found in the English customary law of the constitution, in the two French constitutional laws of the 5th February and the 16th July, 1875, on the question of parliamentary government, in the federal constitution of the United States of North America on the question of federal organization, and in the Swiss federal constitution of the 29th May, 1874, on the question of the referendum, but the present German constitution has a spiritual connection only with the constitution of the German Reich which was agreed by the German National Assembly in St. Paul's Church at Frankfort on the 28th March, 1849, and whose deeply grounded ideas have afforded valuable material for the new construction."

The broad effect of the new constitution is to turn the German Empire,

<sup>1</sup> Das Staatsrecht des Reichs und seiner Länder, von Dr. Otto Meissner (Reimar Hobbing, Berlin).

"The Constitution of the German Republic," by Heinrich Oppenheimer. (Stevens & Sons, Ltd.) Price 10s. 6d. net.

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established in 1871, into a Federal Republic—the continued use of the word "Reich" in these altered circumstances causes a difficulty in translation which it seems simplest to avoid by using the German word itself wherever it is appropriate. Dr. Oppenheimer's translation of the word throughout his book as "Federation" begs many questions and obscures the very important fact that the true German word for federation—"Bund"—is studiously avoided throughout the constitution. The trend of the constitution, as will at once become clear when its details are examined, is towards a unitary state, to which the form of federation is merely a means of approach. In fact, just as the great French Revolution completed the work of Richelieu and Louis XIV in effecting the unification of France, so the Weimar constitution is eventually to complete the work of Bismarck and William I—though in a very different form from that in which they visualized it.

It is obviously for this reason that neither the loosely-knit Swiss Confederation nor the more centralized federal government of North America—much less the semi-independent dominions of the British Empire—served as an example for Germany. In the long struggle in America between federals and confederates, democrats and republicans, the principle of a strong central government has prevailed over that of the sovereignty of the individual states, but at no time, even in the brain of Alexander Hamilton himself, does the possibility of forming a completely unified state of that vast region seem to have been conceived; and in Switzerland, although from 1874 the centralists appear to have been gaining ground on the federalists, the cantons are never likely completely to surrender their semi-sovereign powers.

It therefore seems curious, at first sight, that in Germany, where the traditions of the individual kingdoms and duchies had endured for centuries, the upholders of state rights should not have been more successful in impressing their mark on the new constitution. It must be remembered, however, that in America in 1787 the individual states were completely satisfied with their existing institutions, which is not the case with the Germany of to-day, and that on the other hand Germany does not contain the varieties of race and language which characterize the cantons of Switzerland. "Particularism" may some day raise its head again within the German Reich, but, for the time being at any rate, it seems that, with the kings and the grand dukes, the old traditions have also vanished, and that the only loyalty of the good German is to be to the Vaterland.

"The German Reich is a republic. Supreme power emanates from the people." So runs the first article of the constitution. Dr. Oppenheimer, criticizing the second sentence as redundant, concludes that it was inserted in order to negative a Soviet republic, of which Germany had just had a taste, and to express the idea that supreme power resides in

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the whole people and not in a class. May it not, however, have been intended to emphasize the point that the power lies in the German people as a whole and not as subjects of different states?

For the time being, the states continue to exist with representation as such in the Reichsrat. This, however, is a purely advisory body and, although each state is, under the constitution of the Reich, fashioning a new constitution for itself, as required, on republican lines, the powers left to the state governments are very limited.

It is true that, in form, the state governments are entitled to all powers not expressly assigned to the Reich, but the powers of the central government, though set out categorically, are so broadly stated that it would be difficult to find any subject which could be said to be excluded from its possible sphere of action.

Thus, apart from the list of subjects upon which the Reich alone has power to legislate and a further lengthy list upon which, if the Reich chooses to legislate, the power of the states to do so is definitely ousted, it is laid down that "in so far as there is need for uniform legislation, the Reich may legislate upon all matters concerning (1) public welfare; (2) the maintenance of public order and security." Moreover, the central government may legislate as regards taxes and other sources of revenue, in so far as they are claimed, either wholly or in part, for the purposes of the Reich, and in all cases the law of the Reich over-rides the law of the state—"Reichsrecht bricht Landrecht."

In practice, perhaps, the financial changes brought about by the new constitution, which were strongly opposed in the Assembly, will be those most severely felt by the subordinate bodies. Under the old regime the central government was financially dependent on contributions from the states and itself collected no taxes. The position is now completely reversed. The income tax—described as "the backbone of state and communal finance"—will now be collected directly by the Reich and two-thirds of its produce and of the corporation tax will be re-distributed to the states and the communes. Other taxes, including death duties, will be similarly dealt with. Taxation of land and of businesses is still left to the local authorities, but in all matters of taxation the states are subject to the very far-reaching provision that the Reich may lay down general principles as to the admissibility and method of levying state taxes in so far as they are necessary to prevent loss of revenue to the Reich and for other reasons.

And not only the powers, but the very territory of the states is manifestly threatened, for the central government may by ordinary legislation (i.e. without a change in the constitution) alter the boundaries of states and create new states if the inhabitants of the area concerned desire it.

Indeed, the intention to make such alterations is declared by the establishment within the federal Ministry of the Interior of a "central office

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for the reorganization of the Reich" and of a committee, consisting of representatives of the states, of leading men in the different professions, social economists and administrative officials, to consider the question of a "new and rational organization of the Reich." Dr. Meissner asserts positively that this question includes that of a unification of the whole territory.

Under the constitution of 1871, it was nowhere explicitly laid down that the individual states could no longer deal directly with foreign countries, but this followed from the provisions regarding the declaration of war and the making of treaties. In the new constitution foreign affairs are definitely stated to be within the sphere of the federal government alone.

So, too, with the army and navy. Under the Empire, while the navy was imperial, each state was entitled to have its own military contingent, although the majority of them by degrees surrendered this privilege. Under the new constitution all naval and military forces—described throughout as "defence forces"—are the concern of the Reich, and the President has the supreme command.

The postal, telegraph, and telephone services of the Reich are definitely assigned to the central government, which can also take over all railways and waterways and the construction of highways, in so far as they serve public traffic and home defence. The poor-law too, is one of the matters which may be dealt with centrally.

Whereas the Reich has power to arrogate to itself legislation on all matters relating to civil or criminal law or legal procedure, there is, for the time being, in the matter of the administration of justice less centralization than in other parts of the constitution, for, although there is a Supreme Court of Judicature for the Reich, the courts of the various states will continue to function.

Each state can, it is true, frame its own system of local government, but as the local franchise must be on the same basis as that for the Reich and as the communes have their roots firmly fixed in the body politic, there is in reality little liberty of action in this direction and the greater scope of self-government by the minor authorities, which the constitution seems to inculcate and which is already being adopted in state constitutions, seems likely to be yet another nail in the coffin of the states themselves.

The problem of the relation between the central government and the individual states having thus been solved by the complete predominance of the former, the organization of the central government itself, apart from any advisory bodies, is that of a republic, one and indivisible, of a type described by Dr. Meissner as of a "parliamentary—democratic character."

The American doctrine of the "separation of powers" finds no place

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in the German constitution and it was a foregone conclusion that modern ideas of democracy could have nothing to do with the system established in America, which was based mainly on the lines of the British constitution as understood in the reign of George III and which, as Sir Henry Maine says, was only called a republic because its king was not hereditary.

The various French constitutions of the Abbé Siéyès and the revolutionary constitutional assembly provided only for oligarchies, and that of 1848 led directly to a military autocracy. The existing French system seems to have had more attractions for the framers of the German constitution, but, as will be seen, they have departed from it in very material respects.

Shortly, the system is that the legislative and executive power is in the hands of a President and a single chamber (the Reichstag), both directly elected by the people at large, and a Chancellor and Ministers appointed by the President, but only able to hold office so long as they possess the confidence of the Reichstag.

The mode of election to the Reichstag was not fixed by the constitution, except to the extent that it was to be "in accordance with the principle of proportional representation," but it is laid down in a federal law of 27th April, 1920. The system is most complicated, but the main principles are as follows: The whole Reich is divided into thirty-five electoral districts. The voting is by party lists. One seat is allocated to a party for each 60,000 votes recorded for its list within the district. Surplus votes in the different districts are pooled in order to arrive at further quotas of 60,000 each.

It will be perceived that under this system the number of members of the Reichstag depends upon the number of votes cast at each election and that local representation is almost non-existent, in view of the wide areas of the constituencies. An incidental result of this system is that there can be no by-elections.

The single chamber thus elected is described by Dr. Meissner as "the highest organ and supreme power in the State," and as embodying the sovereignty of the Reich. Dr. Oppenheimer, however, alleges that it was the "avowed aim" of the constitution to set up a "President of imposing stature" who "could be relied upon to match himself against the Reichstag and to safeguard the rights of the nation against the lust of power of the representative body."

The relation between the President and Parliament is obviously one of the matters which it is most difficult to define and it is probable that events and personalities will always stultify any constitutional provisions which purport to define it. The system of election of the American President by electors was expected, so Lord Bryce tells us, "to secure the choice by the best citizens of each state, in a tranquil and deliberate way, of the man whom they in their unfettered discretion should deem fittest

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to be chief magistrate of the Union." As it has turned out, however, the presidential electors are chosen under a pledge to vote for a particular candidate and consequently they have become a mere cog-wheel in the machine.

The German system contains no such cog-wheels. The President is elected directly by the whole people—on the first ballot if he secures more than half the valid votes cast or on a second ballot by a bare majority.

Once elected, the German President, whereas he has greater powers than the President of either France or Switzerland, does not occupy so strong a position as the President of the United States. He is not, like the American President, the executive power, for this power he shares with the "Federal Government," and his term of office, while it is seven years as against the American four, is liable to be ended by the system of "recall."

In the establishment of the "Federal Government" the constitution approximates to the French and English practice. The demand for ministerial responsibility to Parliament had been growing in Germany before the revolution and, during the War, acquired such force that in April, 1917, the Kaiser announced that the Chancellor had been instructed to take steps to bring about the co-operation in the government of all classes of the people, and laws were passed on the 28th October, 1918, which definitely placed the Empire, in its last moments, under a parliamentary form of government.

In the new constitution the Chancellor is no longer the only responsible minister, as under the old regime, but is in much the same position as the English Prime Minister, except that, as is to be expected in the case of a written constitution, his position and functions are more defined. While ministers are appointed by the President, they must "have the confidence of" the Reichstag. They need not necessarily be members, but they are not excluded as in America.

The President has no such veto on legislation as his American confrère. Such power as he possesses in this respect is merely that of referring the matter to the electorate and his power of dissolving Parliament—but only once for any one cause—is in reality of the same description. The Reichstag itself decides when it shall meet—subject to the provisions in the constitution—and is not summoned by the President.

The conclusion one draws from this is that Dr. Meissner's estimate of the relative position of President and Reichstag is more just than Dr. Oppenheimer's and that the Reichstag is the highest power in the State, subject only to the electorate. The supremacy of the people is further confirmed by the provision for the "initiative" and the "referendum" in relation to legislation, as well as for that of the "recall" as regards both President and Ministers, though it would seem that the conditions under which any of these functions may be exercised are so complicated

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and are dependent upon the casting of so large a vote that they are seldom likely to be carried out.

In the 1871 constitution the supreme power was the "Bundesrat," the body representative of the various state governments. The word "Bund" being equivalent to "federation," the dropping of that term and the adoption of the new title of "Reichsrat" is significant in itself.

The new body, as has already been indicated, occupies a very inferior position to that of its predecessor. Its position in no way resembles that of the American Senate or the Swiss Council of States, and the fact that its members can also be members of the Reichstag is a clear indication that, as members of the Reichsrat, they are not looked upon as participating in the government.

It must not be assumed, however, that the Reichsrat will be without any influence whatever. Dr. Oppenheimer points out that the Reichsrat (which, in its corporate capacity never dies, each representative holding office at the pleasure of his own Government) is largely composed of men who have been trained in the art of government in the service of the states and that it has behind it the full weight of that large body of public opinion which in Germany still centres in the states rather than in the federation. At every step the federal government comes up against it and is bound to harmonize its policy with the wishes of the states, with the result that it is dependent upon, if not technically responsible to, the assembly in which the latter becomes articulate."

Dr. Oppenheimer bases this view on the Reichsrat's power of protesting against bills passed by the Reichstag. This protest can only be overcome by the Reichstag by a two-thirds majority, which, he says, in the present state of political parties will hardly ever be obtained. If not, and if the Reichstag and the Reichsrat cannot come to an agreement, the President may submit the bill to a referendum, but he is not obliged to do so. It certainly appears, therefore, that, if the President is in sympathy with the Reichsrat, the latter may succeed in preventing much legislation, but in view of the obvious intention of the constitution, it is probable that the Reichstag, when faced with such a situation, will find means to circumvent it.

The introduction of government bills is said to require the concurrence of the Reichsrat. If, however, the Federal Government and the Reichsrat cannot agree, the former may nevertheless introduce the bill, but, in doing so, must explain the divergent views of the Reichsrat. If the Reichsrat adopts a bill to which the Federal Government does not agree, the latter must introduce the bill, while explaining its own views upon it.

The position of Prussia in relation to the new Germany is perhaps most clearly seen in connection with the Reichsrat. In the old Bundesrat Prussia was supreme, apart from the fact that the King of Prussia was

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*ex-officio* Chairman of the Rat and Kaiser and the Prussian Minister-President *ex-officio* Chancellor of the Empire. The vast difference, in area and population, between Prussia and the other states made it impossible, on any reasonable basis of representation, to deprive Prussia altogether of a preponderating influence on any council of states. In the new Reichsrat she possesses 26 votes out of 66, as against 10 for Bavaria, which ranks second, but, of the 26 votes, only 13 are to be exercised by the Prussian State Government, while each of the provinces, including the metropolitan province of Berlin, is entitled to one of the remainder.

Side by side with the Reichsrat—its “step-brother” as it has been called—there is to be a body known as the Economic Council of the Reich, with subordinate Works Councils, District Workmen’s Councils and District Economic Councils.

The idea of this novel institution, as explained by the reporter of the committee on the constitution, is “to establish, by the side of the political organization of the State, an independent economic organization which is to be entrusted with the aid of the economic forces themselves.”

The whole organization has not yet been brought into existence, but, by a law of 4th February, 1920, Works Councils are made compulsory for all undertakings in which not less than twenty employees are engaged. Their business is on the one hand to co-operate with the employer (who is entitled to attend and to preside over their meetings) in all matters tending to make for the success of the undertaking and, on the other, to safeguard the social and economic interests of employees and workmen. They are not, however, to trench upon the sphere of action of the trade unions.

While these councils are established for separate works, the District Workmen’s Councils are to be based on a territorial plan, to correspond with industrial areas, and they will culminate in a central Workmen’s Council for the Reich.

Out of these Workmen’s Councils on the one hand and of organizations of employers and representatives of the consumers on the other are to be formed District Economic Councils, which are “to be so constituted that all important occupational groups are represented thereon in accordance with their respective economic and social importance.”

The Central Economic Council itself, which is to form the apex of this pyramid, has not yet been established, but a provisional supreme economic council was constituted by an ordinance of the 4th May, 1920, consisting of 326 members, mostly representing various types of industry, but including 30 representatives of consumers and 16 of public officials and the liberal professions.

No doubt this provisional council will serve as a pattern to its permanent successor, which will have similar powers to those of the Reichsrat

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as regards bills in Parliament, with the additional privilege of appointing one of its own members to appear before the Reichstag in support of a bill initiated by it.

It is to be observed that in this organization the boundaries of the several states are completely ignored.

The Reichsrat and the Supreme Economic Council, though possessing certain powers as regards the initiation and the suspension of legislation, are not organs of the Government. They are, however, definitely parts of the constitution, and it is therefore curious that the provisions relating to the Economic Councils are among those included in the second part of the constitution, which otherwise consist of a new Declaration of the Rights of Man, or rather of the rights and duties of Germans.

Space does not permit of describing these at length. They set out a number of matters which the Reich is to take in hand at some future time with a view to establishing, among other things, complete religious freedom, the development of the system of public education as an organic whole and, in suitable cases, the "socialization" of private undertakings, but the greater portion of this part of the constitution consists of a series of excellent maxims such as that "every German is under a moral obligation, without prejudice to his personal liberty, to exercise his mental and physical powers in such a way as the welfare of the community requires."

Generally speaking, these are not matters which can be enforced by any law or be made subject to any sanction. They are largely ideals, based on the finer qualities of the German character, and the more they are realized the better it will be both for Germany and for the world.

There is one point which has not yet been touched upon, namely, the manner in which the constitution can be amended. Under the Empire the constitution could be altered by ordinary legislation. Under the new constitution, while the procedure is the same as for the passing of any other law, two-thirds majorities are required for resolutions passed whether in the Reichstag or in the Reichsrat, and, in the Reichstag, two-thirds of the total number of members must be present. If the matter is the subject of a referendum, the assent of the majority of persons entitled to vote is required.

The difficulties placed in the way of amending the constitution are not, however, of the same importance as in the United States or Switzerland, in view of the wide powers of legislation given to the central government, which appear to enable almost any innovation to be carried through by ordinary legislation except, of course, an organic change in the government itself.

Of the two books here reviewed, that of Dr. Meissner is much the fuller and is written with a greater sympathy with the aims of the constitution and a greater belief in its prospects of success than is shown by

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Dr. Oppenheimer. Dr. Meissner's book, however, has not been translated into English, and Dr. Oppenheimer's, though not on quite such extensive lines, is an admirable and clearly written study of the subject, which will be invaluable to English readers.

Reference has already been made to the misleading effect of his translation of the word "Reich" by "Federation" and this should be borne in mind throughout. There is another serious drawback to his book which must be noted—it contains no index!

### II

"THE CAMBRIDGE HISTORY OF BRITISH FOREIGN POLICY, 1783-1919," edited by Sir A. W. Ward and G. P. Gooch. Three vols., 31s. 6d. net each volume.

CRITICISMS have been levelled at the post-war governments of this country for not following the example of certain foreign countries—notably Germany, Austria, and Russia—in the publication of the archives of their Foreign Offices to a comparatively recent date. But these criticisms have been ill founded, for the foreign publications have been far from complete, and in some cases indeed have been open to the charge of having been selected with tendentious motives; and the book now under review brings us up to or beyond the level of most nations. To the ordinary worker at the Public Record Office, nothing is accessible beyond the year 1860; the contributors to *The Cambridge History* have been allowed to examine our archives down to 1885 under very light supervision; I do not think, indeed, that the power of censorship, to which the Foreign Office reserved a right, was in fact exercised at all.

This is not the place—and mine is no competent pen—to examine the historical value of this great work; that task is properly left to the technical historical journals. However good the editing, these books of multiple authorship, for which Cambridge is now quite celebrated, must show some seams which are not *callidae juncturae*, and can never have the charm of a work that has sprung from a single mind. It is with the greater satisfaction, therefore, that I follow the note at the head of the "Reviews" section of this JOURNAL, and discuss the single topic of public administration as set forth in these volumes rather than the history of policy. Much the most important treatment of this topic is Mr. Algernon Cecil's chapter on the Foreign Office during the period in the third volume, but there are a few other passages which deserve attention, such as Mr. Temperley's summary account of Canning as Secretary of State on p. 106 *sqq.* of vol. ii. Mr. Temperley has had the advantage of having served for a time in the Foreign Office, and under it abroad, and he has probably gathered together about all that there is to be known of the working of the Office in the early nineteenth century. He has given some of his results in greater detail elsewhere—here he

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makes clear in a few lines the invigorating influence of Canning both in the Office and at our missions abroad, and shows that his impress on the service at large has probably been greater than that of any other single individual. It is no more than the truth when Mr. Temperley tells us that "the establishment of modernized procedure and rules of business dates from his time."

When old men—particularly those in other branches of the public service—have talked to me of the Foreign Office as they knew it forty and fifty years ago, they have almost all said, in varying words, something like "What always seemed to us so odd was that all the real work in the Foreign Office appeared to be done by a few people at the top." I think this is largely explicable by the purely mechanical side of the work of the Office. There were no typists in those days and no registry staff as we know it now; and the junior, both at home and abroad, spent a very appreciable part of his time in getting out and putting away papers, in making up the bags that were going to be carried by the Queen's Messengers, and in copying despatches in a good handwriting—a qualification which was insisted upon by everybody from the Queen herself downward. Here the tradition persisted in full force to a much later period. "The handwriting of the Foreign Office," said Lord Sanderson, "was excellent in the days of Mr. Pitt. But it was brought to its perfection by Lord Palmerston, who himself wrote a magnificent hand—firm, round, flowing, and to all appearance never hurried or fatigued. He expected the same of his subordinates, and even when Prime Minister took an interest in the writing of the Foreign Office despatches, sending across short minutes of criticism." The introduction of the typewriter, in doing away with the importance of this standard, and in enabling half a dozen copies to be made without the expenditure of additional time and labour, for dispatch to other missions or offices interested, has brought about a wider revolution in internal organization than the carefully thought out plans of many great men. The young clerk now reaches at once matters of the first importance; and by exercising his wits on them, under proper supervision, is trained for the responsibility which, with the present great bulk of current business, he will soon have to shoulder in deciding for himself a considerable number of points and translating his decisions into action.

These and other developments of equal importance are admirably surveyed by Mr. Algernon Cecil in the long chapter (nearly 100 pages) on "The Foreign Office" at the close of the third volume. He passes rapidly over its development from the dual secretariat, when Europe—and the rest of the world—was inconveniently shared between the Northern and Southern Departments; in 1782 the Southern Department became the Home Office, taking also Irish and Colonial business, and the Northern Department the Foreign Office under Charles James Fox.

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The rules of the succeeding Secretaries of State are rapidly sketched until we come to Canning, and then Mr. Cecil describes the organization with some detail, which should be read in conjunction with the four pages by Mr. Temperley to which I have called attention above. After dwelling some time on Palmerston's changes, he is almost within living memory ; for he obtained the assistance of the late Lord Sanderson, who entered the Office in 1859, for the latter half of the century and it is indeed lucky that Sanderson's memories—he retained them very clearly until his death only a year ago—should have been thus fixed by the writing of a trained historian. Mr. Cecil has also been fortunate in obtaining the assistance of others still with us (*see* Introduction to vol. iii, p. vi), and has given permanent form to much that was of a valuable nature, but existent only in the memory of half-a-dozen distinguished men, and would otherwise have been lost at their death.

I do not propose to examine in detail the changes of recent years, which have proceeded on natural lines of development. The Foreign Office and the diplomatic service have been theoretically amalgamated, and there is constant interchange between the two services, though I doubt if their identification can ever be quite complete. The service has been thrown open to a much wider public by the abolition of a property qualification : the status of the consular service has been raised by better pay and conditions, and the gulf between it and the diplomatic is not so impassable as before ; and much greater opportunities, especially abroad, are being given to what may conveniently, if incorrectly, be called the second-division clerks. The rather uneasy partnership of the Foreign Office and the Board of Trade in the handling of British commerce abroad has been superseded by a separate body, the Department of Overseas Trade, which has something of the character of the two parent bodies. The Whitley Council system exists in the Foreign Office, as in other Government departments, and has hitherto worked with consistent smoothness and satisfaction to all parties. The outlook at present is bright.

I think Mr. Cecil passes a little cursorily over the period which was the true test of sound organization in the Foreign Office as elsewhere, the changes and developments made necessary by the Great War. I have not here the space to develop the argument, but I believe that the right way to meet such an emergency is by the extension of existing departments rather than by the formation of new offices ; a section, with a stiffening of permanent civil servants and a staff of intelligent workers from outside, can do much more in the bosom of its parent department, or at least as closely connected with it as a baby kangaroo in its mother's pouch, than as a separate being. The Foreign Office proceeded on these lines in the war years with great success ; the Contraband Department, developed from the Commercial Department of the

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Foreign Office, remained as a part of the Office even after it was called the Ministry of Blockade, with its assistant bodies, the War Trade Intelligence Department, the War Trade Statistical Department, the Foreign Trade Department (i.e. the body responsible for "black-listing"), and the War Trade Department (which licensed exports from this country). The News Department—responsible for propaganda—came from the political War Department of the Office, though it later changed into the separate Ministry of Information ; the Prize Court Department came from the Treaty Department (the department of the Office which handles international law) ; and the Prisoners Department from the Consular Department, which looks after the interests generally of British subjects abroad. These extensions seem to me to have fulfilled the functions for which they were initiated with a very great measure of success, and the great minds which in the nineteenth century laid the foundation of the present Office would have no reason to be ashamed of the working of the machinery which they had instituted in the unprecedented conditions which prevailed in those four most trying years.

It is too soon yet to see in true perspective whether the Office has been equally successful with the burden of the years of reconstruction. When the time comes to make an estimate, *The Cambridge History* will be the text-book which the future historian of administration will use for the investigation of origins and for comparison with the present.

I cannot but deplore the price which the Cambridge University Press has set on this work. The historians and administrators, as well as the students of current foreign politics, who will want to consult it, really cannot afford to give only a shilling or two under a five-pound note for the three volumes. It is the greatest of pities that so good and important a book should be thus almost confined to use in public libraries.

S. GASELEE.

### III

"*POLAND AND PEACE*," by Count Alexander Skrzynski, LL.D. (George Allen & Unwin, Ltd.) 6s. net.

THE author claims that this book is a " simple relation of unadulterated facts." We agree—merely observing that some important political facts are not included therein, and the eminent simplicity of the presentation may be gathered from the author's treatment of the Polish-Lithuanian dispute, which he dismisses in one short paragraph and sums up in the simple but expressive sentence : " To-day against the existing state of affairs Lithuania alone is protesting."

But the book is none the less one to be recommended to students of administration. If the political chapters tend to gloss over certain inconvenient facts, the chapters devoted to the problem of the construction

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of the new state set forth clearly and temperately the tremendous practical difficulties with which the architects of the new Poland were faced.

The author very justly points out that the problems which faced the government of the new State could not be solved in a day—indeed, he adds, some of them will still need years of study before a comprehensive and satisfactory solution can be achieved. To weld into one coherent whole portions of three separate empires with widely differing systems of administration is no easy task ; add thereto an almost complete dearth of capable officials and (which the author omits) a seep-seated prejudice against the only really competent Polish officials—the word “Posnanchik” was almost a term of abuse—and we can only admire the courage with which the problem was tackled.

The book is valuable also for the light it throws upon the practical difficulties attending the application of the theory of self-determination. Within perhaps somewhat narrower ethnographic limits than those of the existing frontiers, Poland presented the case *par excellence* for self-determination. Statesmen laying claim to the wider vision may neglect the practical administrative problems involved in the application of their political theories, but it is the administrators who have to turn their creations into practical realities. If the administrators fail the handiwork of the statesmen will collapse and their theories be brought to nought. Reading this book it is easy to see the tremendous risks which were taken when the re-birth of Poland was decided upon.

It is less easy to determine the chances of Poland's future existence. The problems of racial minorities, of agrarian reform, and of the development of economic health can only be solved by sound administration, and this hitherto has been the weak spot in Poland's armour. Her reviving trade and industry have been hampered by short-sighted administrative orders ; her finances have been avoidably weakened by ineffective administration of financial laws, sound in themselves ; while oppressive administration is tending to create and foster racial animosities within her frontiers which may yet have to be settled in blood.

The author would have done better had he more frankly admitted some of Poland's past mistakes ; but even if he does not admit as much inefficiency as we know exists, he does at least show the factors which have so largely contributed to the existing state of affairs. To this extent we feel sure he will succeed in his desire, which we fully share—the development in England of an understanding sympathy for Poland, in the great difficulties, not all, or nearly all, of her own creation, with which she is beset.

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### IV

"GOVERNMENT OF THE WEST INDIES," by Hume Wrong. (Clarendon Press.)  
10s. 6d. net.

It is a fair generalization to say that the central principle in the political development of British colonies has been the implicit doctrine that Englishmen bring to their settlements beyond the seas English law and, in the fullness of time, the right of making their own local laws in a representative legislature. The constitutional history of the West Indies is a record of the too swift application of this principle, a subsequent partial negation of it, by way of reaction, and finally of recent years the first steps of a return to it at a stage in the colonies' general social growth with which it is less incongruous. The process of political change, familiar in the self-governing dominions, from representative to responsible government has thus been reversed in the West Indies by the gradual elimination of elected assemblies.

The eight colonies, which, including Bermuda and the two mainland settlements of Honduras and Guiana, are now commonly described as the British West Indies, show a variety of political organization tropical in its profusion, and to the student almost anaesthetic in its complexity. All of the eight have, however, one common constitutional feature of the first importance, namely, that the control of the executive government remains vested in the Crown, acting through its representative, the Governor. As a result of the invariability of this feature the central problem has in each case been the same, and the perplexing diversity has arisen from the numberless experiments and devices which have been tried in the search for a solution. In general terms the problem may be stated thus : How to divide political power between Governor and representative body both equitably and in such a way as to avoid deadlock in the event of disagreement on critical points.

It is not possible here to trace in any detail the alternating swing of political change even in the case of a single colony. There has been, however, a general type of such change, which may be briefly indicated. The type of early West Indian constitution consisted of the Governor ; the Council, which performed the double function of the Governor's Executive Council and of the upper chamber in the colonial legislature ; and the Assembly, which though elected generally by white voters on a low qualification, was at first intended to play a minor part and to be kept well under the control of Governor and Council. It was to have special power over taxation, but no right to touch executive affairs. These constitutional forms persisted roughly from the last half of the seventeenth century till the middle of the nineteenth, by which time the Councils had generally been remodelled by the allocation of their executive and legislative functions to two distinct bodies. But during this period took place

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a very considerable transfer of power from the Executive to the Assembly, which by steady aggression secured for itself rights that seem to the normal British idea astonishingly anomalous. Three months were a usual period for which to vote supplies ; " portmanteau " money bills were the rule : and further, in one case at least, a practice grew up of granting supply not to the Crown, but to Commissioners of Public Accounts, who were *ex-officio* the members of the Assembly sitting under another name. As a Colonial Office minute of the period puts it, " The tax levied on the property of the colony, which is chiefly the property of absentees, is paid into the Treasury ; the forty-four vote it away as an Assembly ; the same forty-four or any five of them give effect to the expenditure by making contracts and issuing orders, warrants, or resolutions ; and the same forty-four, or a quorum of them, act as auditors." In such a system the Assembly's executive control was very wide, and another minute by the same Colonial Office official hardly exaggerates in saying that " the royal authority resolves itself into the power of imposing inaction by the veto."

The Assemblies of the colonies generally had developed much the same powers. In 1854 a Jamaican Act, intended to reform the constitution, set up amongst other changes a contrivance called the Executive Committee : and between 1854 and 1859 Tobago, St. Kitts, St. Vincent, Nevis, and Antigua all passed laws inaugurating similar changes. The Executive Committee consisted normally of the members of the Executive Council *ex-officio*, with one member of the Legislative Council and about three members of the Assembly added. Their duties comprised the initiation of financial business in the legislature and the supervision of the collection and expenditure of public monies ; and they could be asked for advice on all other matters.

Up to this point the steps taken to overcome the recurrent deadlocks between executive and legislature had, if faltering, been consistently in the direction of responsible government. Constitutional changes, whether effected by legal enactment or by the slow attrition of customary practice, had been uniformly in favour of the elected element. It is therefore surprising to find that by 1866 the Assemblies of Jamaica, Antigua, St. Kitts, Nevis, Montserrat, the Virgin Islands and Dominica, for centuries so tenacious of their rights, had one and all " immolated themselves on the altar of patriotism " by a complete abdication of all their powers. St. Vincent and Grenada followed suit in 1868 and 1875 respectively.

It is worth while mentioning shortly some of the causes of this abrupt *volte-face*. The radical defect of the old representative system was that it left the Governor responsible for the executive government while withholding from him the effective power of carrying through his policy. It was a fair-weather form, whose stability pre-supposed either a broad

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conciliatory spirit as between Governor and legislature, or a high degree of political apathy in electors and representatives. For such periods of smooth administration as the West Indies enjoyed before 1860 (and these were few and sparse) they had almost invariably to thank the latter : the former was a virtual impossibility in a system where on the one hand the Assembly represented but a small white land-owning class, narrowly parochial in outlook, inveterately prejudiced in spirit, and born and bred to regard slavery as their very life ; and where on the other hand the Governor was bound to stand both for imperial interests and the interests of those elements of the local population which were politically unrepresented. Alternative escapes from the impasse were possible, but there was no third way. Either powers which in the last resort were autocratic had to be restored to the Executive, or the executive government had to be transferred to ministers who should be responsible not to the Crown but to the local Assembly. Full actualization of the principle of responsible government was impracticable for reasons clear and cogent : and attempts to compromise with it, such as the establishment of the Executive Committees,<sup>1</sup> were bound in the long run and in the political atmosphere which characterized the generality of the colonies, to fail : for upon the members chosen from the legislature dual and, in practice, incompatible duties were imposed. In the West Indies man could not serve two masters, Governor and House, for these were in perennial conflict.

In the early nineteenth century, then, the colonies seemed, Sisyphus-like, to be moving towards a goal which was always and necessarily held out of their reach. In a retrospective view from the present point of time it is plain that the Imperial Parliament would have had in the end to incur the odium of voting the West Indian Assemblies out of existence. As it happened, the movement towards autonomy broke on a rock, the rock of slave-emancipation, in time to relieve Parliament of this unpleasant responsibility. The manifold defects of the old system were amply clear even when the local white oligarchies were fairly representative of all elements possessing political rights. But when the slave became the citizen, and the electorate, with a growth sudden as some monstrous fungus, came to comprise not merely a handful of white oligarchs, but a number of coloured demagogues and a huge black residuum in a state of complete political inertia, any form of representative government became next to impossible. The West Indies could provide no leaven for this lump, and after a few more years' experience of deadlock and acrimonious conflict the Assemblies were persuaded to enact, if with

<sup>1</sup> As a fact, they scarcely survived ten years in any colony except Barbados, where owing to the absence of bitter political controversy, they still work satisfactorily enough to this day. It is interesting to note that proposals for the constitution on the Barbados model of an Executive Committee in Jamaica have recently been approved by the Secretary of State for the Colonies.

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little grace, yet without serious resistance, their suicide. "They had become weary of the possession of so much power, had come to see how frequently that power was wasted, and how apt it was to be misapplied."<sup>1</sup> The Crown was entrusted with the task of prescribing new constitutions "in such form and with such powers as to Her Majesty may seem best fitting."<sup>2</sup> The form chosen was what until recently was officially known as Crown Colony Government, consisting of the Governor and his Executive Council, and a single-chamber legislature nominated, either wholly or as to a majority, by the Governor. Since this change the old embittered white electorate has disappeared and the attitude of all sections of the local populations towards their governments has fundamentally altered: the period has been one of large legislative activity, and comparatively strong governments have had the chance to follow consistently comparatively sane policies. A well-marked tendency of gradual return to representative government is now at work and Mr. Wood in his report of 1922 has recommended that elected members should be introduced into the legislatures of Trinidad, St. Vincent, St. Lucia, and possibly Dominica. The concession has already been made (in 1921) in the case of Grenada. Proposals for an elected majority in the Jamaica Legislative Council have been approved, and British Guiana has long had an elected majority for financial legislation. The Bahamas, Bermuda, and Barbados, in which, owing to their special circumstances, the old system has survived, all possess representative institutions and a bicameral legislature.

Professor Wrong gives a concise and scholarly account of the "neglected phase of the constitutional history of the British Commonwealth," hastily sketched above. His admirable little book is avowedly only an outline, but the amount of detail it contains might make bewildering reading, were it not for the lucidity and skill with which it is handled. The author professes the double intention of providing an introduction for the student of constitutional history in this sphere and "an historical background for those who are interested in the political problems of the West Indies to-day." Within the limits which he has set himself he achieves both objects with an easy mastery. He modestly disclaims having given to the book much historical research in the scholarly sense. However that may be, the book bears the best mark of scholarship in this kind—the concrete manner of thought which is keenly aware of the organic connection between constitutional forms and the social and economic life from which they spring. His narrative has an interest, which, even for those who feel no special curiosity about the West Indies, should be considerable and in some respects unique; considerable, as the record of

<sup>1</sup> Lieutenant-Governor of British Honduras in a despatch to the Governor of Jamaica in 1870.

<sup>2</sup> *Jamaica Laws*, 29 Vict., c. 24.

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an odd, heterogeneous people, who nevertheless once formed the centre of the Colonial Empire, and unique in this, that it reports a sustained attempt to graft political institutions and traditions, themselves the expression of the English genius for political liberty, on to a society the basis of whose organization was slavery and which in any case was by nature probably the least politically-minded of all that have ever formed part of the King's dominions. If the story is largely one of failure—for till late in the nineteenth century the first pre-requisite of successful representative government, public opinion or spirit, was altogether absent from the West Indies, which were unable to find any better substitute than faction feeling and inveterate parochialism—it is not less profitable for that.

L. J. BARNES.

### V

"WILBERFORCE, A NARRATIVE," by R. Coupland. (Oxford University Press.) 16s. net.

It is becoming possible to form a complete history of the nineteenth century by means of what we may call authoritative biography. Whatever the list may include, it will begin with this history of Wilberforce. Here we have the beginnings of all sorts of movements which came to importance in the Victorian age. We can study the prolonged movement towards freedom, one of the earliest events in which was the emancipation of the slaves; we can study the gradual uprise of social responsibility; we can see parliamentary methods slowly (very slowly) evolving; we can see traces of religious movements which were about to change the face of English spiritual life. It is as if Mr. Coupland had given us the very basis of the thought of to-day. That is the prime value of the book. It must not be judged as a glorification of Wilberforce or as a defence of Pitt in respect of the prolonged opportunism of which, to our eyes, he was guilty, or as an estimate of the balance of virtues on this one subject of the emancipation of slaves as between Pitt and Fox. It is more than that. It is a revelation to us, who take things for granted, through what agony of conflict and of misunderstanding and of misrepresentation the foundations were laid for much that is precious in British life to-day, precious indeed though we undervalue it.

Wilberforce was an enthusiast, almost a fanatic. He pressed forward his plan for the freeing of the slaves, in season and out of season. Pitt, in this study, is a romantic figure, and Wilberforce's devotion to him becomes an epic. Again and again the cup of victory was ready to be quaffed. Again and again it was dashed away, sometimes by the hand of Pitt himself. There were difficulties, of course. There were interests to be considered. There were fears of revolution and tremblings of international conflict. There was a long, long chapter of parliamentary

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*finesse*, most carefully described by Mr. Coupland, and the description is of immense value. Wilberforce went on undaunted. His religious enthusiasm was his comfort and his strength. He invested his admired Pitt with the Christian qualities which he deemed to be essential in his ideal leader—or, perhaps, he dreamed of another Pitt who should possess those Christian qualities and in his attitude to Pitt he identified the two persons. And at the end of the long story, when Wilberforce was on his death-bed the Bill was passed and eighteen hundred thousand slaves, in a year's time, were freed. "As it carried the noblest measure in its history, the House of Commons did not forget the man who had done most to educate his country up to it."

One interesting point deserves special mention. It was towards the close of the drama. The House of Commons was discussing Stanley's Abolition Bill. The Colonial Secretary had tried to frame his proposals without seeking the advice of the permanent officials of his department "at whose influence over transient Secretaries of State the newspapers had been grumbling for some time past." There was one young man in the Colonial Office who, by inheritance, had been most interested in the question. This was the son of James Stephen of the Clapham Sect, friend of Wilberforce, in whose heart and mind had been implanted a special reverence for the movement and for the first sponsors of the movement. The Bill itself was drafted by Stephen, "at the cost of his Sabbatarian principles and his health besides," and we have one more insight into the intimacy, so to speak, of public administration. The Bill for the abolition of the slave trade was fashioned not out of the pale neutrality of a public servant but out of real and vital enthusiasm—even in a public servant—for the cause.

JOHN LEE.

### VI

"CITIZENSHIP," by W. H. Hadow. (Oxford University Press.) 6s. net.

THIS volume is a reprint of the Stevenson lectures delivered by Sir Henry Hadow in the University of Glasgow in 1922.

The first lecture opens with the definition, quoted from Dr. Boyd, that civilization is the right ordering of our several loyalties. As definition this is perhaps faulty, since all our ethical life is a due ordering of competing loyalties, but as a statement of the problem of civic ethics, it is adequate. With this in mind, it is otiose to complain that this volume is not one calculated to evoke the sentiments of patriotism, as it would to condemn a work of dogmatic theology as being wanting in the true devotional spirit. The task of rousing the civic spirit is far removed from that of determining the bounds within which that spirit should operate,

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but each is necessary, and we can no more complain that this volume does not raise a patriotic thrill, than we could condemn Doyle's *Private of the Buffs* for failing to solve the ethical problem of the conscientious objector.

In pursuing the problem of the right ordering of our loyalties, there appear to be two courses open. It is possible to trace the reaction of man's personal and his civic ideals of conduct through history or, on the other hand, it is possible to review the philosophic basis of the State and to propound a critique of civic ethics. Professor Hadow oscillates between these alternatives and succeeds in doing neither. His historical sketch is incomplete and his philosophy is indefinite.

The historical survey which Sir Henry presents ranges from classical times, and, in one instance, from those far-off anthropological origins, of which we know nothing, to modern instances—with a significant gap from St. Augustine to Machiavelli. But this period marks such outstanding civic developments as the decline of slavery, the rise of the free cities of Italy and the North, and the birth of the modern national idea. Intellectually, it covers the thought of the schoolmen, whose contributions to ethics, whether individual or civic, are not without value to the present age. It is true that two pages in the first chapter contain a brief and inaccurate historical survey of the middle ages, but the impression gained is that these centuries were a confused welter of conflicting loyalties, without principle, and without civic ideals. Furthermore, though mention is made of the wilder speculations of obscure schoolmen like John of Salisbury, the great name of Aquinas does not appear in the volume. The contribution of this period to human thought is summed up in the words, "The examples of independent moral speculation are rare." Such a sentence is ludicrous to anyone who has even a passing acquaintance with scholastic philosophy.

Nor is the author any more successful in stating either his own or other people's views on the philosophical questions underlying the problems of citizenship. Take, for example, his treatment of the doctrine of equality of man.

The Declaration of Independence asserts it to be a self-evident proposition that all men are created equal. It is equally a self-evident proposition that a dogma upon which large bodies of men have agreed, in diverse circumstances and at different times, and which has changed the face of civilization, may be false but cannot be simply silly. It is, therefore, beside the mark for Sir Henry Hadow to point out, as he does, that all men do not take the same size in boots. Nobody has asserted the contrary to be a self-evident proposition. Throughout the lecture on "Liberty, Equality, and Fraternity" we are shown self-evidently ridiculous interpretations of these doctrines, but we are given no indication of the interpretation put upon them by those who hold them. The result

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is that the unfortunate student of citizenship is left with only the vaguest notions as to what value, if any, attaches to these principles. Nor is it sufficient to say, as the author does, that "equality, then, at any given moment of life, means the disregard of irrelevant inequalities." Equality as distinguished from identity, always means the disregard of irrelevant variations, but the whole point of the discussion lies in what is, and what is not, relevant to the question of citizenship. Sir Henry, who has quite effectively dismissed analogies usually quoted in illustration of the equality of man, permits himself to be drawn into an illustration of what is a relevant inequality in political affairs. The example is of interest if only because logically it is an argument for uncontrolled government by the permanent civil servant. "Oligarchy believes that the train should be run by the first-class passengers, because they pay most for their tickets ; democracy by the third-class passengers, because they are most in number ; we venture to urge that it should be run by the engine driver, because he knows most about it." The force of this illustration obviously depends upon whether the relevant consideration is the competence of the engine driver or the destination of the train.

After treating, and disposing, of the utilitarian theory of the State as a means, and the Machiavellian theory of the State as an end, Professor Hadow comes to the doctrine of the State as a personality, having mutual relations of duty and authority with its members. But the analogy of a joint stock company, based to some extent upon the theory of a social contract, fails to give any conviction of *moral* authority on the part of the State. The only political theories which predicate moral authority to the State are the authoritarian, which Professor Hadow rejects and the democratic which he derides. He falls back upon Hegelian philosophy, based upon the nature of the human will ; but if we reject the equality of man, we know nothing about the human will in general.

The chapters on "Citizenship and Empire" and on "Internationalism and Cosmopolitanism" are mainly historical. The author misses many of the problems connected with these subjects because he has only the vaguest notions of the nature of State sovereignty.

The last chapter, "De Civitate Dei," sketches the ideals of the great seers in the realm of citizenship, from St. Augustine to Mazzini and Sir Henry Jones. Here we feel the true authentic thrill of the "citizen of no mean city," "a city not made with hands, whose builder and founder is God." But what a pity it is that Sir Henry Hadow has never heard of Aquinas, nor of Antonino of Florence.

E. H. BLISS.

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## Reviews

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### VII

"THE COMMON WEAL," by The Rt. Hon. Herbert Fisher, M.P. (Oxford University Press.) 7s. 6d. net.

THIS book is a surprise. It is true that in a brief introductory note Mr. Fisher disclaims any attempt to state a formal political philosophy, but the concentration on ethical values, with which he opens, combined with the arrangement of the chapter headings, which suggest a survey commencing with a close view of the individual and ending with world relations, leads the reader at first to discount the introduction as mere modesty. As the book proceeds, however, the appearance of formal completeness is lost and interest is centred in present-day political problems. Mr. Fisher does not keep himself apart from the panorama he is exhibiting. This is all to the good, as the reader is most interested while watching his labours as a Minister of State in his department, in the Cabinet, and on the Council of the League of Nations. Incidents are never revealed, of course, but in the analyses which he gives of the ethical content of such problems as that of the State and the conscientious objector, or of the difficulties of disarmament, or again, when he deals with the aims and possibilities of education—a theme to which he repeatedly turns—he is fighting over again battles as a statesman and administrator.

But before Mr. Fisher, the statesman and administrator, is revealed, there is a less familiar and less successful presentation of him as the moralist. In his hands the question of what is a man's duty to his State and to society is replaced by what does a man owe to society. Chapter II is therefore headed "Social Debt and Social Credit." The average suburbanite will be gratified to learn that, in Mr. Fisher's estimate, his social balance is on the credit side. "A man who during his working years has earned his living honestly, brought up his children decently, paid his taxes, and made some provision for his old age, is to be classed rather among the creditors than among the debtors of society." It is assumed, of course, that the occupation which he follows has some social value. Suburbia must not, however, rejoice too precipitately; in the next chapter the requirements are more severe, as it is stated that "there is a wide range of questions, moral and political, not so complicated but that they can be grasped by the resolute application of any sound intelligence. . . . With many of these, at least the good citizen, may be expected to make himself familiar." The good citizen apparently is not to be let off so easily as the social creditor.

Returning for a moment to the chapter on "Social Debt and Social Credit," the most novel feature is a comparison of the relative morality of the conceptions of "social debt" and "class debt," it being assumed that the doctrine of "class consciousness" must be supported by a belief in a debt owed to the class. As, however, the class conscious

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philosophy does not rest on this particular basis, the ingenuity of Mr. Fisher's argument appears misdirected.

His views on the relationship of the individual to the State are not rounded off until Chapter VI, which deals with "Problems in Political Obedience." Here the teaching is dominated by two fundamental doctrines. The first of these is that where the Government of a State is democratic in character and the citizen has full opportunity of converting the majority to his views, the occasions must be very rare when he is justified in defying the law. The second doctrine is that one of the most fundamental duties of every State is to preserve itself. With these two perfectly sound considerations weighting the argument, the claims of the conscientious objector are tested, in the extreme case they are admitted, but the right of the State to imprison the objector, if only as a test of his sincerity, is claimed.

At this stage Mr. Fisher the statesman appears. In this character he is concerned with State policy. Many topics are treated, but his attitude to the whole mass is demonstrated most effectively in his views on education. The point of view from which he approaches the problem is clearly shown in the following quotation : "If society is to be regarded as adequately embodying the ends for which man may be assumed to exist—and these may be summarized in the term 'the good life'—something more is needed than economic labour devoted to the supply of economic needs." Religious teachings, with its related philosophy of history, are defended as a "prophylactic against cynicism, inertia, and despair, and as an encouragement to the exercise of the active virtues." Chapter III is entirely devoted to education. Here the doctrine of a healthy mind in a healthy body is preached, intellectual indifferentism attacked, and intellectual specialism upheld. "Negligence of our common civic interests" may be forgiven, he holds, in the case of the scientific worker on the grounds that his work requires a high degree of specialism. One feels, however, that he reaches safer, if more limited, ground two pages later when he states : "The presence in any society of a body of men devoted to the disinterested pursuit of truth is a great moral antiseptic."

The problem of education in citizenship is then approached. "In a broad sense all education should aim at good citizenship. It should have for its principal object the inculcation of a sense of duty to others." He is doubtful how far, in the education of children, good citizenship should be more directly aimed at. The failure of the experiment introduced some years ago in the evening schools by Mr. Arthur Acland leads him to exclaim that "Young people want something more stimulating to the imagination than desiccated information about the details of local government." Add to this the difficulties which enthusiasts of the most diverse schools of thought put in the way of the educational administrator,

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and the foundations of Mr. Fisher's cautious attitude are clear. His complete philosophy on this question is not exhausted at this point. In the discussion on "The Claims of Neighbourhood," it is viewed in the light of the problem of subordinate languages, such as the claims for the teaching of Welsh in Wales, Erse in Ireland, etc. Such claims he regards as separatist in tendency and wasteful of intellectual energy, and yet he admits that "No British Government would act reasonably which endeavoured to discourage the knowledge of Welsh in Wales." In the chapter on "Patriotism" it crops up again in connection mainly with the teaching of history. Here the internationalist in Mr. Fisher appears. "If a religion of hate is taught in the schools, the well-springs of public opinion are poisoned at the source. . . . There is no justification in making foreigners out to be angels; but their point of view should be presented fairly." In his chapter on "International Relations" he returns to this subject. A system of school education directed in the interests of national policy is roundly condemned as inimical to the formation of a sound national judgment.

Mr. Fisher conducts a wide survey of the field of politics. Many topics are dealt with, controversy is neither sought nor avoided, but always the search is for the path to "the good life."

A. C. STEWART.

### VIII

"A HISTORY OF THE INSPECTORATE." Being a short account of the Origin and Development of the Inspecting Service of the Board of Education. By H. E. Boothroyd.

Printed for private circulation by the Board of Education Inspectors Association.

To write the history of the development of the English system of national education is a task of extraordinary difficulty. The system grew up in an apparently haphazard fashion. The fondness of Englishmen for thinking in water-tight compartments and the love of *ad hoc* authorities left their impress upon education to a greater degree perhaps than on any other public service, and the student of administration is hard put to it to find some indication of unity and continuity.

Mr. Boothroyd in this book puts a thread in our hands which guides us through the labyrinth. The Lancastrian Society, the National Society, the Committee of the Privy Council, the Department of Science and Art, all had a finger in the educational pie. It fell to the lot of the inspectorate to turn the activities of these bodies towards the achievement of a common purpose, the creation of a comprehensive system of national education.

The author has, by his method of treating his subject, brought to the surface the underlying unity. The first two parts of the book are concerned with development up to 1899, Part I dealing with Elementary Education and Part II with Technical Education. Part III outlines the

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work done since 1899, when the educational threads of the nineteenth century have been gathered together. In reading Part I, we are impressed by the value of the work done by the early inspectors. Inspired by Dr. Kay, they took a broad view of their duties. The child out of school as well as in school was the subject of their observations, and some of their reports, from which Mr. Boothroyd gives illuminating extracts, are valuable surveys of the existing social conditions. The measure of the achievement in this early period is the measure of the evil done by the introduction of the system of examination and payment by results. When he introduced the Code of 1862, requiring individual tests in the three R's, Lowe set back the clock. The inspector's visit under the old regime had been a source of inspiration to the school. Now it became a time of feverish anxiety ; the inspector was frequently hurried in an effort to get through the task of testing each child ; the scholars were worked up to that disastrous condition when they do their worst ; and the teacher was consumed with anxiety over the performance of his pupils. The system was not without its humours, as the stories Mr. Boothroyd recounts reveal. In spite of opposition from inspectors and teachers, the system survived for many years. A casual reference is made to its abandonment in the years 1890-1902, but we would like to be told more of the process which brought about the removal of this incubus.

The part played by the inspectorate in the great work of organization and co-ordination under Sir Robert Morant is dealt with very fully by the author. Yet one feels he has not done justice to one phase of the work of the inspectorate. The Board's inspectors have been and are more than their name implies ; their work does not stop at inspection. They are educational advisers, not only through the spoken word in conference with the staff of the inspected school, but through the written word in the suggestions to teachers and in the circulars upon the teaching of various subjects. They are engaged in constant research, with the nation's schools as their laboratory. In recent years local authorities are undertaking the inspection of their schools to an increasing degree, leaving the advisory and research field to the Board. For that reason alone we should like that aspect of the work of the inspectorate dealt with more fully.

Mr. Boothroyd must hold his book responsible for the criticism which asks for more detail. It is an appetizing volume. He throws so much light upon the growth of that once very tender plant, English education, that our interest cries out for still more information. It is to be hoped that the Inspectors' Association will secure the publication of the book, for it will be of interest to all who are concerned with education, and then perhaps the author will take the opportunity of extending his excellent history.

B. C. ADAMS.

## Reviews

### IX

"ORGANIZATION AND ADMINISTRATION OF THE TRAMWAYS DEPARTMENT," by S. B. M. Marsh, Accountant to the Birmingham Corporation Tramways. (Pitman & Sons, Ltd.) 6s. net.

In this book, published as part of Pitman's Municipal Series, Mr. Marsh, by means of letterpress, diagrams and forms, has set out in a concise and lucid manner his views on the office organization and system of accounting required in a tramways department.

Although the letterpress is limited to some seventy-five pages, the author has found it possible, not only to deal with the general principles of organization, but also with the system of accounts in considerable detail. Chapters are devoted to such important matters as time recording and wages, prime cost records and stores, and to the method of compiling some of the principal books of account and record.

The chapter on audit should prove of interest to all who are concerned for the accuracy of accounts and the prompt detection of errors, but some readers may question the necessity or desirability of setting up under the general manager an accounts department for the tramway undertaking, as they may consider that the accounts, apart from primary records, should be prepared in the department of the chief finance officer of the local authority. There is much to be said for this view, and the modern tendency would appear to be in favour of making the chief finance officer responsible for the finance and accounts of the various trading undertakings of the local authority, which in the past have frequently been dealt with in water-tight compartments.

Perusal of the chapters on local rating and permanent way costing bring to mind the heavy, and as many consider the unfair, burdens borne by tramway undertakings in respect of rates and of highway upkeep as compared with those borne by public vehicles of other kinds. These burdens in many cases seriously affect the financial position of the undertaking and make it difficult to conduct it on an economic basis.

The book contains copies of the standard forms of account adopted as a result of the deliberations of a Committee of Representatives of the Municipal Treasurers and Accountants and the Municipal Tramways Association, and in the Appendices are set out the forms of annual return, etc., prepared by the committee appointed in November, 1921, by the Minister of Transport, which forms were subsequently approved by him.

While members and officials responsible for tramway undertakings may not find it necessary to adopt in every detail the suggestions made by Mr. Marsh, the principles he advocates are sound and perusal of the book can be confidently recommended.

S. W.

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## X

### PUBLICATIONS OF THE INTERNATIONAL LABOUR OFFICE, GENEVA

"**OFFICIAL BULLETIN.**" (Published in English, French, and German; weekly.)

THE official journal of the office. It contains official records of the office, reports of meetings of the governing body and the various commissions, information concerning the ratification of conventions, and legislation in pursuance of the provisions of the conventions and recommendations.

"**INTERNATIONAL LABOUR REVIEW.**" (Published in English, and French; monthly.)

THE *Review* treats of all phases of labour, and of industry so far as it concerns labour. It contains articles contributed by well-known publicists, economists, employers, and workers on subjects relating to labour; text and statistical tables prepared in the International Labour Office dealing with prices, cost of living, unemployment, wages, and hours of labour, industrial hygiene and accidents, activities of employers' and workers' organizations, migration, co-operation, education in relation to employment, agricultural problems, and all other subjects connected with labour in the broadest sense; summaries of the more important official publications, and a bibliography of literature relating to labour in all languages.

"**INDUSTRIAL AND LABOUR INFORMATION.**" (Published in English and French; weekly.)

A SUMMARY of the most important current news concerning conditions of labour and other industrial questions. It is a continuation of the former *Daily Intelligence*.

"**RUSSIAN SUPPLEMENT TO INDUSTRIAL AND LABOUR INFORMATION.**" (Published in English and French; fortnightly.)

CONTAINS general information on labour conditions, transport, food supply, finance, and general economic conditions in Russia. It consists of translations and summaries from the Russian papers at the disposal of the International Labour Office and of reports on relief organizations and other similar bodies.

"**INTERNATIONAL LABOUR DIRECTORY.**" (Published in English, French, and German; annual.)

THE *Directory* contains information with regard to organizations, both official and unofficial, which deal with industrial and labour questions. It contains an account of the constitution of the International Labour Organization and of the League of Nations, and lists of Government departments and bureaux in the various countries concerned with labour matters, of the principal employers', workers', intellectual workers', ex-service men's and co-operative organizations, and of miscellaneous international organizations engaged in work relating to labour.

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"LEGISLATIVE SERIES." (Published in English, French, and German.)

THIS series contains reprints and translations of the texts of acts and decrees, administrative orders, etc., affecting labour issued in the different countries of the world. It is a continuation in a new form of the series of laws, formerly published in the *Bulletin* of the International Labour Office of Basle. A chronological and subject index is issued with each year's series.

"DOCUMENTS OF THE INTERNATIONAL LABOUR CONFERENCE." (Published in English and French.)

THESE include : (a) the questionnaires sent to the Governments and the reports compiled from them ; (b) verbatim reports of the proceedings of the Conference ; (c) the authentic text of the draft conventions and recommendations adopted ; (d) miscellaneous documents. Certain questionnaires for the Geneva Conference of 1921 were published in German, Italian, and Spanish, as well as in the two official languages, and the proceedings of the Conferences of 1921 and 1922 have also been published in Spanish.

"STUDIES AND REPORTS." (Published in English and French.)

THESE comprise : (a) the results of special enquiries or researches undertaken by the office, and similar studies made outside the office if of sufficient value ; (b) the short reports on subjects of immediate importance in the field of labour and industry.

They are grouped in different series according to subject matter.

"SPECIAL REPORTS." (Published in English and French.)

THESE contain the results of important special enquiries carried out by the office, and similar studies made outside the office.

OTHER PUBLICATIONS.

THESE include the *Constitution and Rules of the International Labour Organization*, etc.

## THE FORUM

[The object of this section of the JOURNAL OF PUBLIC ADMINISTRATION is to provide an opportunity for frank discussion. Articles should not exceed 500 words and should be devoted to subjects of immediate interest to the Institute. They may or may not be signed, but must be written by an accepted Member or Associate of the Institute, and the name and address of the sender must be supplied.]

### ABILITY TO PAY

THE present system of rating was originally based on "ability to pay." The great Statute of Elizabeth, the Poor Relief Act of 1601, is reasonably clear on this point. That it was so interpreted by administrators in the seventeenth century is shown by Dalton's *Country Justice* (1635 Edition) which enunciates as established doctrine "that men be rated according to their estates of goods known, or according to the known yearly value of their lands, farms, or occupatings, and not by estimation, supposition, or report. Also herein the charge of family, retinue, and countenance is in some measure to be regarded; for if one valued at £500 in goods hath but himself and his wife, and another estimation at £1,000 hath wife and many children, etc., the first man by reason is to be rated as much as the other."

As wealth increased and commerce extended it became increasingly difficult to estimate, say, a merchant's "ability to pay" and consequently evasion became easier. The authorities therefore endeavoured to find a basis of assessment applicable to everyone. In the case of farmers and those who derived business profits from the lands they occupied, the *bona fide* rental value of the farm undoubtedly formed a better criterion of the farmer's means than his neighbour's rough estimate of the profits he actually derived from them—and so this became the recognized basis of assessment for agricultural land. If a farmer was only to be assessed on the *bona fide* value of the lands occupied it was unfair to expect merchantmen to be rated for their profits; in fact, it amounted to a tax on enterprise.

This question of the rating of personality was a subject of bitter litigation for over 240 years, and culminated in the passing of the Poor Rate Exemption Act of 1840, which definitely settled that "stock-in-trade, or any other (personal) property" should no longer be rateable. Some of the difficulties of this question were illustrated by Lord Mansfield. "What do they mean by the visible stock of an artificer? Some artificers have a considerable stock-in-trade; others none at all. Shall the tools of a carpenter be called his stock-in-trade, and as such be

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rated? A tailor has no stock-in-trade; a butcher has none; a shoemaker has a great deal. Shall the tailor, whose profit is considerably greater than that of the shoemaker, be untaxed, and the shoemaker taxed?"

A local income tax is frequently advocated by present day reformers, but in respect of what portion of a person's income would it be fair to assess him for local purposes? Should he, in the place in which he resides, be assessed on his whole income or only on so much of it as is locally earned?

Undoubtedly changes are required; but they are, in the main, changes of machinery. The chief grievance is inequality of assessment between parish and parish, and even county and county. Although the Parochial Assessments Acts, 1836, and the Union Assessment Acts, 1862 to 1880, were passed with a view to securing uniformity of assessment throughout the country, such uniformity does not in fact exist. The fault lies not so much with the Acts themselves as in their interpretation by the authorities concerned.

The inequalities which arise from these conditions could be mitigated by the adoption of such reforms as—

1. One valuation for all purposes of rating or taxation; as at present in operation in the metropolis.
2. A compulsory quinquennial re-valuation.
3. The recognition of the county as the area of the Assessment Committee.
4. The appointment of a Central Advisory Board consisting of delegates from the Assessment Committee to secure uniformity of principle throughout the country.
5. The employment only of properly qualified valuers to deal with the assessment of hereditaments.
6. A strict adherence to the principles of valuation laid down in the Rating Acts.

The net results of such proposals would be—

- (i) There would be one assessment for all purposes.
- (ii) Local rates would be equally distributed according to the true proportionate values of the hereditaments comprising the area.
- (iii) Income Tax (Schedule A) would be equally distributed according to the true proportionate values of the country.
- (iv) Government grants, calculated on rateable value, would be distributed on a fair basis.

ALEC. W. PAINTER.

[We regret to announce that Mr. Painter, the author of the above contribution, died on 8th December last. He was cashier in the Rates Department at Bristol, and therefore in intimate contact with the problems dealt with in this article.—THE EDITOR.]

## Control of Expenditure with Government Departments

AN APPENDIX TO ARTICLE ON PAGES 138-141 BY SIR GILBERT GARNSEY, K.B.E., F.C.A.

The following quotations were read by Sir Gilbert Garnsey in support of his main argument at the meeting held on the 24th January, when Sir H. N. Bunbury's paper was under discussion.

Sir Charles Harris—

"The accounts are valueless for any purpose but to demonstrate due appropriation and honesty in disbursement."

"The whole system belongs to a primitive level of administrative thought, in which the mechanical impounding of casual surpluses occupies the place that should be filled by a vital striving after real economy."

"The Appropriation Accounts . . . are puerile. They take no account of outstanding liabilities, so that mere delay in payment appears as a saving or 'surplus' . . . There is nothing to help anyone to penetrate behind the blank statement that *fx* was spent in cash . . . as compared with *fy* which it was estimated to spend."

"Such estimates and accounts are useless for purposes of control because there is nothing in them which can serve as an index of economy of administration or the reverse."

"The present system fails to provide 'either Parliament, the Treasury, or the department' with adequate and authentic information as to the actual economic results of the transactions for which each in its own degree ought to bear the responsibility."

Sir Sydney (now Lord) Olivier—

"They do not keep prominently before accounting officers their responsibility in regard to . . . the realization of values temporarily invested in stores and materials; they do not enable the interest of the State in these values to be continuously tracked."

"The principles in force have not yet been brought into complete correspondence with the principles of ordinary accountancy . . . to enable expenditure and the responsibility for expenditure to be tracked and controlled."

"The danger to control lies in the fact that an officer accountable and answerable for public values is given a discharge in his Vote Account for a value the cash-form of which he has, in fact, disbursed under proper authority, but for the value-form of which he is, in fact, still accountable and ought to be shown as so being in his public accounts."

Sir John Bradbury—

"In criticising the existing scheme of appropriation of Parliamentary grants it must be borne in mind that the control of expenditure, in the

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sense of securing that the various public services are efficiently administered at a reasonable cost, was no part of the object which the framers of the system had in view."

"Notwithstanding, therefore, the admirable manner in which there is maintained the control now necessitated by the forms of estimate and account laid down by the House of Commons, I would suggest for your consideration the probable benefits to be derived from a system of accounting which would show the true expenditure incurred in each financial year and which would provide these other controls I have indicated—controls which would supplement but would not eliminate the control over the cash outgoings which must necessarily remain under present Parliamentary requirements and procedure in connection with finance."

## Financial Control in Local Government Administration

*Appendices to Article on pp. 153-171, by Sir Harry Haward*

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### Appendix A

#### EXTRACT FROM REPORT OF THE MACHINERY OF GOVERNMENT COMMITTEE

Throughout a long period of years the conviction appears to have grown that it is essential to a sound system of finance that the Minister responsible for raising the revenue should also have a predominant voice in deciding on the amount, and, in some degree, on the character of the expenditure. It has been held that it is only in this way that he can secure the necessary check on the demands that are made upon him, and a proper appreciation of the liabilities to which he is being committed by the policy of his colleagues. If he is to be held responsible for filling the reservoir and maintaining a certain depth of water in it, he must also be in a position to regulate the outflow.

Much argument has been devoted to a criticism of these dual functions, and it has not infrequently been contended—especially by persons interested in projects which involve increased demands upon the public purse—that the Chancellor of the Exchequer should confine himself to raising the money required by his colleagues, and leave them to deal at their discretion with the other side of the account; or that, at most, he should restrict his power of control to matters involving expenditure on a large scale, or to items exceeding some fixed limit.

On this question it may be sufficient to point out that single items, in themselves insignificant, may in the aggregate make up large totals, and that even a small expenditure on a particular service may directly or indirectly involve large demands elsewhere, which can only be appreciated on a broad view of all the relative conditions.

On the whole, experience seems to show that the interests of the tax-payer cannot be left to the spending departments; that those interests require the careful consideration of each item of public expenditure in its relation to other items and to the available resources of the State, as well as the vigilant supervision of some authority not directly concerned in the expenditure itself; and that such supervision can be most naturally and effectively exercised by the department which is responsible for raising the revenue required.

But it is obvious that the success of a system of control which is, in theory at least, so comprehensive, so rigid, and so minute, must depend on the manner in which it is applied.

When once a particular policy has been adopted by the Government or by Parliament it is clearly the duty of the Chancellor of the Exchequer to provide the funds necessary for its execution. He may properly require to be satisfied that the expenditure proposed is not more than sufficient for the purpose in view, and that adequate arrangements are made to secure the fullest return for the outlay involved; but his control is in the main financial, and should not be allowed to encroach on the responsibilities of his colleagues. It must also be exercised in a sympathetic spirit and with an adequate knowledge of the circumstances and difficulties of the other departments.

## *Financial Control—Appendices*

It is obvious that the two sides of financial control—the restriction of expenditure to no greater sum than is required for the purpose in view, and the ensuring that the fullest return is obtained for the money expended—will present different aspects to the spending departments and the Department of Finance. With regard to proposals for expenditure, the initiative will come from the spending departments, and the attitude of the Department of Finance must necessarily be one of inquiry and criticism. With regard to the arrangements for ensuring that the fullest return is obtained for the outlay involved, the responsibility should, we suggest, be shared between the spending department and that of finance. In neither case is it in practice possible for the Chancellor of the Exchequer, with any useful result, to force measures on an unwilling department. The superiority of the spending departments in knowing what is required for the execution of their several services, in accordance with the policy with regard to them which has been determined by Parliament or the Government, must necessarily limit the scope of any useful exercise of the restrictive authority of the Chancellor of the Exchequer. On the other hand, the wider experience and expert knowledge which his department should possess, not of all the detail of each particular service, but of all its financial incidents and implications, and of the methods by which administrative efficiency can be ensured and increased, will enable the Department of Finance usefully to criticize the methods of other departments, to make suggestions for amending their proposals, not less in the direction of getting a greater return for outlay than in that of reducing the outlay itself; and to initiate improvements of this nature, even when no new proposals are being made. It is none the less true that the execution of any scheme will necessarily depend on the goodwill and co-operation of the spending departments concerned.

### **Appendix B**

#### **LIST OF THE DIFFERENT CLASSES OF LOCAL AUTHORITIES HAVING FINANCIAL TRANSACTIONS (AS AT 1920-21)**

##### **County Councils—**

London County Council . . . . .	1
Other County Councils . . . . .	61
Joint Committees of County Councils . . . . .	11
Council of the Isles of Scilly . . . . .	1
Corporation of the City of London . . . . .	1
Receiver for the Metropolitan Police District . . . . .	1
Metropolitan Borough Councils . . . . .	28

##### **Town Councils—**

Councils of County Boroughs . . . . .	82
Councils of other Municipal Boroughs . . . . .	247
Urban District Councils, for Districts other than Boroughs . . . . .	791
Rural District Councils (for 658 Rural Districts) . . . . .	648
Managers of the Metropolitan Asylum District . . . . .	1
Boards of Guardians—	
Poor Law Unions in the Administrative County of London . . . . .	28
Other Poor Law Unions . . . . .	614
Poor Law Joint Committees (including Managers of Poor Law School and Sick Asylum Districts, other than the Metropolitan Asylum District) . . . . .	16
Parish Councils . . . . .	6,225
Parish Meetings . . . . .	353

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Separate Bodies of Overseers of the Poor (number of parishes outside London)	14,373
Burial Boards	142
Joint Boards and other Joint Authorities for Special Purposes—	
Hospitals	218
Burial Grounds	231
Fuel and Lighting	73
Sewerage	45
Water Undertakings	36
Education	33
Miscellaneous	103
Visiting Committees of Lunatic Asylums (number of Asylums)	91
Local Authorities carrying on Harbour, Dock, Pier, Canal, and Quay undertakings (excluding Councils of Boroughs and Urban Districts)	55
Commissioners of Sewers, Land Drainage Boards, and other Drainage and Embankment Authorities and River Conservancy Authorities	326
Port Sanitary Authorities, being Joint Boards	29
Central (Unemployed) Body for London, and Distress Committees for Boroughs and Urban Districts outside London	45
Conservators of Commons and Trustees of certain Open Spaces	14
Lighting Inspectors, and Committees for Lighting appointed under Section 53 (2) of the L. G. Act, 1894	20
Commissioners of Markets	3
Governing Bodies of County School and Scholarship Districts in Wales and Monmouthshire	99
Boards of Conservators under the Salmon and Freshwater Fisheries Acts, 1861-92	45
Local (Sea) Fisheries Committees (excluding the County Councils and two Boards of Conservators acting as Local Fisheries Committees)	9
Bridge and Ferry Trustees	4
Library Commissioners (Bolton Percy)	1
	25,104

## Financial Control—Appendices

### Appendix C

#### RECEIPTS AND EXPENDITURE OF LOCAL AUTHORITIES IN ENGLAND AND WALES IN THE UNDERMENTIONED YEARS

	1882-83	1913-14	1920-21	Percentage Increase of 1920-21 over 1882-83
<i>Expenditure (other than out of loans)—</i>	£	£	£	%
Maintenance and other expenses . . . .	38,051,711	113,811,778	301,499,384	812·2
Loan charges . . . .	10,456,532	34,448,010	41,655,651	298·5
Total . . . .	43,508,243	148,259,788	343,155,035	688·8
<i>Receipts (other than from loans)—</i>				
Fees, tolls, rents, and miscellaneous income . . . .	15,586,278	55,454,595	126,303,572	710·6
Exchequer Grants . . . .	2,391,090	22,617,246	63,076,605	258·9
Rates . . . .	24,477,086	71,276,158	151,809,139	520·3
Total . . . .	42,454,454	149,347,999	341,189,316	703·7
Expenditure out of loans . . . .	9,369,813	21,148,515	94,453,400	908·1
Loans outstanding at end of year (Including Sinking Fund Balances) . . . .	159,142,926	562,630,045	657,760,895	313·3
(Not available)	(35,701,828)	(62,250,149)		
Rateable value . . . .	143,222,438	223,559,349	236,024,438	64·7
Assessable value . . . .	143,222,438	211,563,049	223,656,107	56·1
Average rate levied . . . .	3s. 5d.	6s. 9d.	13s. 7d.	297·5

*Note.*—Sinking Fund is in respect of such loans only as are repayable by means of those funds.

### Appendix D

#### LOCAL GOVERNMENT (ENGLAND AND WALES) ACT, 1888 ANNUAL BUDGET OF COUNTY COUNCILS

##### Section 74

- At the beginning of every local financial year, every County Council shall cause to be submitted to them an estimate of the receipts and expenses of such council during that financial year, whether on account of property, contributions, rates, loans, or otherwise.
- The council shall estimate the amount which will require to be raised in the first six months, and in the second six months of the said financial year by means of contributions.
- If at the expiration of the first six months of such financial year it appears to the council that the amount of the contribution or rate estimated at the commencement of the year will be larger than is necessary or will be insufficient, the council may revise the estimate and alter accordingly the amount of the contribution or rate.

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## *Section 80*

1. All payments to and out of the county fund shall be made to and by the county treasurer, and all payments out of the fund shall, unless made in pursuance of the specific requirement of an Act of Parliament or of an order of a competent court, be made in pursuance of an order of the council signed by three members of the Finance Committee present at the meeting of the council and countersigned by the clerk of the council, and the same order may include several payments. Moreover, all cheques for payment of moneys issued in pursuance of such order shall be countersigned by the clerk of the council or by a deputy approved by the council.

2. Any such order may be removed into the High Court of Justice by writ of certiorari, and may be wholly or partly disallowed or confirmed on motion and hearing with or without costs, according to the judgment and discretion of the court.

3. Every County Council shall from time to time appoint a Finance Committee for regulating and controlling the finance of their county ; and an order for the payment of a sum out of the county fund, whether on account of capital or income, shall not be made by a County Council, except in pursuance of a resolution of the council passed on the recommendation of the Finance Committee, and (subject to the provisions of this Act respecting the Standing Joint Committee) any costs, debt, or liability exceeding fifty pounds shall not be incurred except upon a resolution of the council passed on an estimate submitted by the Finance Committee.

4. The notice of the meeting at which any resolution for the payment of a sum out of the county fund (otherwise than for ordinary periodical payments), or any resolution for incurring any costs, debt, or liability exceeding fifty pounds will be proposed, shall state the amount of the said sum, costs, debt, or liability, and the purpose for which they are to be paid or incurred.

5. This section shall not apply to county boroughs.

## **Appendix E**

### **NOTES ON THE RELATION BETWEEN SECTIONS 74 AND 80 (3) OF THE LOCAL GOVERNMENT ACT, 1888, AND ON THE BUDGET SYSTEM OF THE LONDON COUNTY COUNCIL**

The legislators of 1888 do not appear to have regarded Sections 74 and 80 (3) as in any way connected with each other. The former section provides for an annual estimate (one aggregate total) of the amount of county contributions (that is to say, rates) required to be raised in the year ; it does not require that such estimate shall be submitted by the Finance Committee although, no doubt, such was the intention. The latter section provides for the submission from time to time by the Finance Committee of estimates of liabilities about to be incurred. The County Council was advised by the then Local Government Board that the estimate required by Section 80 (3) must have reference to the particular costs, debt, or liability in respect of which it is to be submitted, and that the Board would not consider that a general estimate such as is mentioned in Section 74 would be sufficient to satisfy the requirements of Section 80 (3). The combination of these two sections into a budget scheme, at once legal and workable, proved no easy task, but a code of standing orders was eventually drawn up in 1895 which appeared to stand the double test.

The main features of the scheme are that the annual estimates are prepared in greater detail than before and are utilized (a) for estimating the amount of the

## *Financial Control—Appendices*

county rate required to be levied, and (b) for the approval of estimates of expenditure comprised therein as estimates of "costs, debt, or liability," the latter, when approved by the Council, being annual votes of money for the purposes specified. A similar scheme applies to the capital estimates which are adopted by the Council (a) for the purposes of the Annual Money Bill (the unique piece of machinery by which the Council obtains its borrowing powers), and (b) as estimates of "costs, debt, or liability."

The procedure in regard to supplemental votes, special votes (i.e. expenditure not provided for in the annual estimates) and excess votes is elaborated much on the lines of that pertaining to the votes of Parliament. As in the case of votes of Parliament, these authorizations are absolute only so far as the Council itself is concerned, because no new liability exceeding £100 (in the case of education and mental hospitals £500) can be incurred by the committee without the prior concurrence of the Finance Committee except in the case of committees acting in pursuance of statutory or specially delegated powers of expenditure. One reason is that when the annual votes are discussed the Council's attention is directed to the larger questions of policy rather than to the details making up the total of a vote. Another reason for this restriction, which at one time was reserved for the Council itself, is that the estimates are not set forth in sufficient detail. An estimate of, say, £50,000 for repairs to elementary schools or the maintenance of roads with no details is really only a provision of money and not an estimate. In fact it may be based on the expenditure of previous years and not on a consideration of the probable cost of each job of repairs which will or may become necessary in the course of the year; and yet this is obviously the only way in which an estimate within the meaning of Section 80 (3) can be prepared.

Again, many administrative questions of importance arise in connection with the actual outlay of the money and, therefore, before new liabilities are actually incurred the approval of the Finance Committee has to be obtained. In this respect the committee act in much the same way as the Treasury whose prior sanction has to be secured to new expenditure in the votes of Parliament.

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The more important standing orders in the code giving effect to the budget system are appended. The following notes as to their practical working may be of interest—

1. The estimates submitted by the Finance Committee to the council are those forwarded to them by the executive committees. The law, however, does not require this; it would be within the law for the Finance Committee to frame and submit their own estimates of the cost of a particular work, but it has been thought right that the responsibility for the preparation of the estimates should rest with the executive committees and the chief officers who advise them. The approval of the Council to such estimates is given on the recommendation of the executive committees respectively responsible for them.

2. The submission of the estimates by the Finance Committee is deemed to imply that they approve them and concur in the expenditure involved unless they report to the contrary. If they report against the estimate, an arrangement is made for their chairman or some other member of the committee to move an amendment in the Council for reference back or reduction. The Finance Committee are not allowed to alter an estimate without the prior concurrence of the executive committee, still less to keep it back and so prevent the Council from considering it. The executive committees are thus able, despite the statutory functions

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of the Finance Committee, to place their proposals fully before the Council who must then weigh considerations of policy and expediency against considerations of finance.

3. The report of the Finance Committee is limited to financial considerations. The committee are required in the case of the annual capital estimates to have regard "to the maximum amount which in their opinion the Council should seek to borrow during the year" and in the case of the rate and revenue estimates "to the amount which in their opinion the Council should raise by county contributions (that is to say, rates, in the year)"; in other words, to cut their coat according to their cloth.

4. As regards a specific estimate of costs, debt, or liability, the Finance Committee's province is to report upon "its financial bearings." This rather vague expression has given rise to much discussion. It was understood when the code was drawn up that the control of the Finance Committee should be of a purely financial character and that they should not be required to consider the *merits* of any proposal. The responsibility for advising the Council in this respect was to rest with the committee from whom the proposal originated, the criticism of the Finance Committee being strictly confined to its *financial aspects*. This understanding has been adhered to in the main, but it is difficult sometimes to separate the financial aspects of a scheme from its merits; for example, when the demands on the local purse are numerous and urgent, financial examination of a proposed scheme may properly extend to its value compared with other proposals for expenditure; in other words, a scheme desirable in itself may have to be postponed in favour of other proposals of a more urgent character. Again, a scheme may appear to the Finance Committee extravagant and that there are, or should be, more economical ways of achieving the same object; granted the need or the desirability, the Finance Committee are entitled to be reasonably assured that the most economical scheme is submitted. It is in such cases as these that the border line may be over-stepped by the Finance Committee.

5. In the departmental examination of specific estimates of costs, debt, or liability attention is given to such points as—

(a) Whether specific provision has been made in the annual estimates, and if not, how the expenditure can be met.

(b) Whether there is legal power to incur the expenditure proposed, and if on capital account, as to the power of borrowing.

(c) In the case of expenditure on capital account the charge on the rates and how the expenditure (where large) will fall in the current and subsequent financial years; also the annual cost of maintenance where such is involved.

(d) As to the basis of the estimate; for example, whether in the case of building work it is based on quantities; in the case of a tender, whether the tender proposed to be accepted is the lowest and, if not, the reasons for not accepting the lowest; and whether the estimate includes all incidental expenses.

(e) The cost of the proposal judged by precedents and other comparative information available.

(f) Whether the proposal will result in recoupment on capital or income account and the data on which estimates of the financial results are based.

6. The Finance Committee are consulted by the executive committees at the earliest stage of any important proposals involving expenditure. This is a necessary feature in financial control. Committees are not allowed to take up reports to the council with a view to obtaining the latter's approval "in principle" to any scheme without the concurrent report of the Finance Committee.

7. Increases of pay or additions to staff where the liability exceeds £250 also

## *Financial Control—Appendices*

require such a financial report. Staff matters, while largely administrative, have a more or less direct financial bearing, that is to say, they affect the amount of service or work to be given by a municipal officer in return for a given amount of pay. The conditions of a man's service are intimately bound up with the question of his remuneration, and it is not easy to divorce the consideration of the former from that of the latter. It is obvious, therefore, that these matters are of financial significance. A permanent appointment in the municipal authority may involve a contingent liability on the local funds for pay and pension extending over 70 years. Moreover, reference to the Finance Committee assists in securing uniformity of treatment.

In some towns steps have been taken to obtain unifying action in staff matters by entrusting to one committee all questions of staff, pay, grading, and conditions.

8. The heads and sub-heads of the annual estimates are prescribed by the Finance Committee who see that the estimates of the various committees are prepared in adequate detail. The moneys voted are deemed to be appropriated to the heads, sub-heads, and objects specified thereunder. The Finance Committee, like the Treasury, have a power of *virement*; that is to say, they may sanction the application of a saving under one sub-head of a vote to meet an excess on another.

9. The proposals dealing with new or existing sources of revenue, e.g. tramway fares, cannot be submitted to the Council without a concurrent report from the Finance Committee, who are thus enabled to assist the Council to guard its revenues other than rates.

### **EXTRACTS FROM STANDING ORDERS OF THE LONDON COUNTY COUNCIL**

232. (a) In considering the capital estimates the Finance Committee shall have regard to the maximum amount which in their opinion the Council should seek to borrow in the year.

(b) In considering the rate and revenue estimates the Committee shall have regard to the amount which in their opinion the Council should raise by county contributions in the year.

(c) In submitting the annual estimates to the Council the Committee shall make their recommendations accordingly, and shall accompany them with such reports as they may think fit.

236. The amounts stated under the various heads of the estimates of expenditure on capital account, when approved by the Council, shall be deemed to be appropriated to the objects specified under such heads, and shall be termed "annual capital votes" and the amounts stated under the major divisions or "sub-heads" and the minor divisions or "details" of each vote shall also be deemed to be appropriated to the specific purposes stated under such "sub-heads" and "details" respectively. Expenditure under any such vote may be incurred in accordance with the provisions of Standing Orders Nos. 238 and 251. The Finance Committee shall make any adjustments in the sub-heads and details of any capital vote which are necessitated by the reduction of such vote or the approval of a supplemental estimate.

240. The amounts stated under the various heads of the estimates of expenditure on rate and revenue accounts, when approved by the Council, shall be deemed to be appropriated to the objects specified under such heads, and shall be termed "annual maintenance votes," and the amounts stated both under the major divisions or "sub-heads" and the minor divisions or "details" of each vote shall also be deemed to be appropriated to the specific purposes stated under such "sub-heads" and "details" respectively. The Finance Committee shall make any adjustments in the sub-heads and details of any maintenance vote which are necessitated by the reduction of such vote or the approval of a supplemental estimate.

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248. (a) (i) No recommendation or proposal involving expenditure on capital account shall be submitted to the Council until an estimate of the total costs, debt, or liability, under Section 80 (3) of the Local Government Act, 1888, is submitted by the Finance Committee to the Council.

(ii) Such estimate shall be submitted to the Council by the Finance Committee without delay, with any observations they may wish to make upon its financial bearings, and the report of the Finance Committee shall be considered by the Council simultaneously with the report of the Committee making the recommendation.

(iii) Any such estimate which does not comprise the total liability involved in any proposal shall be accompanied by a statement of such total liability and of the amount (if any) of estimates previously approved.

(b) Notwithstanding the provisions of Standing Order No. 71 no question of financial policy shall be discussed in the Council upon any estimate of costs, debt, or liability, if provision for expenditure thereunder has been made, in whole or in part, in the current annual capital votes.

(c) Except in cases of urgency, which the Council shall determine upon a report from the Committee concerned, or where the Council is under statutory obligation to proceed, it shall not be in order to submit to the Council any proposal involving expenditure on capital account in the current financial year, or to submit an estimate in respect thereof, unless provision for such expenditure has been made, in whole or in part, in the current annual capital votes; provided that the Committee making the proposal shall be at liberty to report to the Council under the conditions laid down in Standing Order No. 258.

(d) Any anticipated excess of costs, debt, or liability over the amount of an approved estimate shall be the subject of a supplemental estimate, which shall be put forward by the Committee concerned as early as possible. The submission of the estimate shall be made and the Council's approval thereof obtained in the manner prescribed for estimates.

(e) The approval of a capital estimate (or supplemental estimate) of costs, debt or liability shall not constitute a vote. Expenditure under any such estimate may be incurred in accordance with the provisions of Standing Orders Nos. 238 and 251.

(f) Any Committee putting forward an estimate of capital outlay shall furnish to the Finance Committee such particulars and estimates as are available of any consequential expenditure involved on capital or on maintenance account.

249. The estimates of expenditure comprised in the rate and revenue estimates for the financial year, and any supplemental or special maintenance estimate, shall be deemed to be, and shall be also submitted by the Finance Committee to the Council for approval as, estimates of costs, debt or liability within the meaning of Section 80 (3) of the Local Government Act, 1888.

250. (a) No recommendation or proposal involving expenditure on rate or revenue account exceeding £50 in the ensuing or any subsequent financial year shall be submitted to the Council until an estimate of the total costs, debt, or liability proposed to be entered into has been submitted by the Finance Committee to the Council. The estimate shall be submitted by the Finance Committee without delay to the Council with any observations they may wish to make upon its financial bearings; and the report of the Finance Committee shall be considered by the Council simultaneously with the report of the Committee making the recommendation.

(b) Such estimate, if approved by the Council, shall not constitute an annual maintenance vote, but provision for the expenditure shall in due course be included in the annual maintenance votes of the ensuing or subsequent financial year.

(c) This order shall not apply to the continuance of expenditure which has already been sanctioned by the Council on works or services.

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251. Expenditure on capital account may be incurred provided that—

(i) The Council has approved, in the current or any previous financial year, an estimate of costs, debt, or liability submitted to the Council by the Finance Committee under Section 80 (3) of the Local Government Act, 1888;

(ii) The expenditure in any financial year be within the amount provided in an annual capital vote in respect of that year; and

(iii) The concurrence of the Finance Committee has been obtained where required under Standing Order No. 238.

252. The submission of an estimate to the Council by the Finance Committee shall, unless the Committee report to the contrary, be deemed to imply that the Committee approve the said estimate.

258. Where, under any standing order, it is provided that a report, recommendation or proposal shall not be submitted to the Council until a report or estimate is submitted by the Finance Committee, it shall be competent to the Committee making the report, recommendation or proposal, to submit the same to the Council at its third or any later ordinary meeting after the date on which full particulars of the proposal, or the detailed estimate, shall have been laid by the Committee before the Finance Committee.

### **Appendix F**

#### **EXTRACT FROM THE REPORT OF THE DEPARTMENTAL COMMITTEE ON ACCOUNTS OF LOCAL AUTHORITIES FINANCE COMMITTEE**

71. The settlement of such questions as these (i.e. those referred to in paragraphs 68 to 70), which cannot be left satisfactorily to the executive committees who are naturally interested in showing economical results in the departments for which they are responsible, is one of the most important functions of a Finance Committee. In our opinion, it should be compulsory for every authority of sufficient size (as is now the case with County Councils under Section 80 of the Local Government Act, 1888) to appoint a Finance Committee with general powers of control and supervision over all matters of finance.

#### **DISTRIBUTION OF ACCOUNTING DUTIES**

72. The differentiation of the duties of the executive officers and departments, in such a way that the financial results of the transactions of each may be checked by records of account kept independently of them, is a principle which has been strongly advocated by many of the witnesses, and is in operation, to a large extent, in the offices of very many of the more important local authorities. As regards the smaller authorities, no doubt the expense involved in the appointment of a separate accountant renders the full application of this principle impracticable; but the committee believe that much may be done, by a careful arrangement of the duties of the various officers, to ensure an efficient check upon the accounts of the transactions for which they are responsible. Wherever practicable, an officer who is responsible for, or directly interested in, any branch of administration should not control the final accounts thereof; and an officer who collects or disburses money should not be allowed to keep the accounts on which the cash transactions are based. Conversely, officers entrusted with the supervision of the finance and the accounts should have no part in the administration or in the receipt and payment of money.

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The payment of wages is a matter in which special importance attaches to the proper distribution of officers' duties. The evidence received shows that every precaution is taken in this respect by very many of the Borough Councils, and by some other authorities. But, too commonly, the same officer both makes out the wages accounts and pays the workmen ; an arrangement which clearly leaves room for irregularities in the statement of wages due, in the payment of the wages and in the allocation of the charges.

(n) In regard to the financial relations of the various departments of an authority and other kindred matters, many important questions arise which cannot be settled or controlled by general regulation. The Committee recommend that all authorities of sufficient importance should be required by statute to appoint Finance Committees with general powers of control over all matters of finance and account.

(o) Wherever practicable, the account keeping should be in the hands of officers who are not responsible for pecuniary transactions or administrative duties.

(p) Uniformity should be insisted upon, by means of regulation, in regard to the general system on which the accounts should be kept.

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Contributions should be addressed to THE EDITOR, THE JOURNAL OF PUBLIC ADMINISTRATION, Sir Isaac Pitman & Sons, Ltd., Pitman House, Parker Street, London, W.C.2.

Contributions are especially invited to The Forum. They should not exceed 500 words and should be accompanied by the name and address of the writer, who should be a Member or Associate. Initials or pen names are permissible in publication.

Books for review should be addressed to the EDITOR.

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# Notes

THE HALDANE PRIZE. The conditions of the essay competition for this year's Haldane medal and prize, as announced in our advertisement pages, embody one considerable change from those which obtained last year. This year no subjects are prescribed, competitors must choose their own subject, and the prize will be awarded to the essay which, in the opinion of the judges, makes the most substantial contribution to the study of public administration. We are not sure if this experiment is novel, but at any rate, it is unusual, and its success will be watched with great interest. For our part, we hope it will completely change the nature of the competition. Essay competitions on prescribed subjects must almost always be on subjects of wide general interest; the aim of the Institute, on the other hand, is to allow scope for those who would prefer to write on something which is of particular interest to themselves or in regard to which they have had peculiar opportunities for observation or experiment.

\* \* \*

THE FORUM. This JOURNAL in its conduct of The Forum, which was provided in order that members and associates might exchange experiences, ideas, or opinions, has not met with the success which was anticipated. If we felt that the contributions which have been received from time to time were all that were available, we would not raise the matter here, but would recognize the good work which has been done. But we do complain that of the many nascent ideas and experiences bearing either on public administration or on the future of the Institute, of which we hear only a small percentage, are ever given a chance to grow. We cannot promise nourishment for every idea that comes along, but for every one that appears worth while, fresh air and the light of day can be promised in The Forum.

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THE SUMMER CONFERENCE. As was the case last year, the programme of discussions at this year's summer conference contains a preponderance of subjects in which local government officials and civil servants are jointly interested. In a conference which provides unique opportunities for the meeting of London and provincial members such a preponderance seems desirable. The informal meeting on the Saturday for the discussion of Institute business is a new feature, and judging by the interest which the regional groups have already displayed, it is likely to prove most fruitful.

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THE CIVIL SERVICE FURTHER EDUCATION COUNCIL. At a recent meeting convened by the Further Education Committee of the National Whitley Council for the Civil Service, at which Sir Stanley Leathes took the chair, it was decided to establish a Civil Service Further Education Council with the object of promoting and co-ordinating the educational work which is being carried on throughout the Civil Service. At first the activities of this council are almost bound to be concentrated in London, but once success has been achieved in this sphere, expansion to the provinces is bound to follow. It must be confessed that it is not a flourishing business which the council are taking over. During the past few years much has been done by the Further Education Committees of Whitley Councils, the Whitehall Institute, and other bodies, but for some time interest has been on the wane. It is hoped that this new body will be able to stop the decline which has set in. For this work it is well constituted; a wide educational experience will be at its service on the one hand, and on the other contact with the students will be intimate.

\* \* \*

BINDING CASES. The problem of providing binding cases for the annual volume of the JOURNAL was discussed recently by a committee. Nothing effective can be done, however, until there is some indication of the probable demand. Will those who would like such cases please communicate with the Secretary at 17 Russell Square.

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## *Reparations and the Dawes Report*

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# Reparations and the Dawes Report

BY E. M. H. LLOYD

THE Report of the first Committee of Experts appointed by the Reparations Commission on the 30th November last is a document of dramatic interest for the future of Europe. The Experts' plan has come as a ray of hope after years of cumulative tragedy and chaos. And apart from its general interest to all concerned with European peace and prosperity, it is of great technical interest, not merely to bankers and economists, but to Civil Servants and others engaged in public administration. Whether administration is to be regarded as a science or an art, here is a document which we may fairly claim to be a signal example of the spirit and method of public administration applied to a problem of unparalleled complexity and of world-wide importance.

Before dealing with the matter of the Report a special tribute should be paid to the excellence of the form. The complete Report is 138 pages in length, much of it very detailed and technical. Were it not for the skilful arrangement adopted, it would have been all too easy to lose sight of the wood and get lost in the trees. The Committee have followed the admirable plan (which may be commended to secretaries of less important committees and commissions nearer home) of stating their recommendations and conclusions at the beginning and consigning all except the most essential matter to a series of annexes. This reduces the body of the Report by more than a half. In order to facilitate still further the rapid assimilation of the main outlines (and incidentally, no doubt, to assist the world's Press in the difficult task of journalistic compression), an unofficial but none the less accurate and intelligible summary of the whole scheme is given in the first six pages that follow the preface. With such extraneous aids there is no excuse for even the most discursive reader losing his way or failing to reach the heart of the matter.

To anyone conversant with the chequered course of the Reparations controversy during the last five years, a glance at the list of main headings in the summary is sufficient to recall a nightmare of illusions, failures, deadlocks, and political manoeuvrings. It supplies the threads on which Mr. Keynes strung his famous puppet-show of the Big Four at Paris. It is the agenda of the Spa Conference, the Brussels Conference, the Paris Conference of 1921, the London Conference of May, 1921, and the ill-fated Conference in Paris of January, 1923. Only the questions of Inter-Allied debts and Germany's total liability are wanting—significant omissions to which we shall return. The Committee were intended

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to cover the whole ground, and they have done so. But it is none the less noteworthy how wide an interpretation they have given to their terms of reference. They were invited by the Reparation Commission to "consider the means of balancing the budget and the measures to be taken to stabilize the currency" of Germany. If political currents had been less favourable to a complete settlement, these somewhat narrow terms of reference might have been made an excuse for evading the real issues and producing a hypothetical and inconclusive report similar to many which have been made in the past. Fortunately the Committee have taken a broad view of their task and have had the courage and detachment to risk going somewhat outside their province in the hope of achieving "effective results." This attitude of the Committee and their conviction that a settlement of the major problems was not impossible have contributed in a large measure to the more favourable political atmosphere, which in turn facilitated their task.

The great achievement of the Report is that it goes a long way to reconcile the French and British standpoints. And the result is not a mere sterile compromise but a plan that promises to be fruitful and workable. It is scarcely an exaggeration to say that if the French and British experts could have really agreed on a common plan at any time during the last four years, Germany would have been placed in a position to make larger payments than she has in fact made. It is no doubt true that political illusions and miscalculations have been the chief stumbling-block; but technical divergencies of opinion among the experts have given some excuse even to the politicians. The French have always insisted that "Germany could pay." They have looked at her productive capacity, at the large sums spent since the Armistice on capital development at home, the extension of factories, the building of houses, the re-equipment of the railways and the restoration of the mercantile marine. At the same time they have pointed to the small amount collected by taxation and the vast fortunes made by the industrialists. They have argued that if taxation were increased the German Government could raise the necessary sums to pay Reparations. The British have tended rather to consider the means of payment, to look at Germany's actual and possible balance of trade, and to doubt the possibility of creating an export surplus sufficiently large to satisfy the expectations of the French experts based on an entirely different set of data. Each side until recently has tended to ignore the overwhelming importance of German monetary conditions. No expert, not even Mr. Keynes, anticipated the catastrophic fall of the mark which finally rendered the whole attempt to collect or pay Reparations on the old basis nugatory. A fresh start had to be made, taking monetary policy into account.

A divergence between the Franco-Belgian and the British experts has also existed on the question of guarantees. Both the Belgian and

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the French have been sceptical about Germany's willingness to pay, and they have consequently insisted on the need for what they call "real guarantees" or specific pledges. These have taken various forms, but have included such measures as control of German railways, assignment of the customs revenue, exploitation of timber forests, etc. The British, on the other hand, being sceptical of compelling Germany to pay by direct intervention in her affairs, have resisted such plans as politically dangerous and economically unsound. This *non-possumus* attitude may have contributed to the state of mind which prompted the occupation of the Ruhr. The Committee of Experts have now adopted the principle of intervention in a manner that is likely to prove least vexatious. The creditor countries are to participate in the general supervision of the railways, the bank of issue, and the customs. They are also, through the important Transfer Committee which is referred to later, to exercise a considerable influence on the foreign exchange market. But there is no seizure of specific "pledges" as the French and Belgians demanded; nor is there any such complete control of German finances, on the analogy of the League of Nations scheme for Austria, as others had suggested.

There is a certain irony that this complete plan for the settlement of Reparations has been evolved as a by-product, so to speak, of the problem of stabilizing the German currency. It is true that the German experts at Versailles warned the Allies in 1919 that the provisions of the Treaty would inevitably lead to inflation in Germany; but the Big Four ignored the point, and it has taken five years to drive home this economic truth. The collapse of the mark and the breakdown of Germany's fiscal system are the hard facts which have brought down the discussion of Reparations from the sphere of illusion to the plane of common sense. They have even gone a long way to convince the French of the futility of the Ruhr occupation.

Though the Committee were not strictly concerned with the political aspects of the problem, they have made it abundantly clear that it is impossible for Germany to stabilize her currency and balance her budget without the restoration of her economic unity and the virtual abandonment of the Ruhr policy. Political guarantees and penalties and questions of military occupation, they say, are outside their jurisdiction. "It is, however, our duty to point out clearly that our forecasts are based on the assumption that economic activity will be unhampered and unaffected by any foreign organization other than the controls herein provided. Consequently, our plan is based upon the assumption that existing measures, in so far as they hamper that activity, will be withdrawn or sufficiently modified, so soon as Germany has put into execution the plan recommended, and that they will not be re-imposed except in the flagrant failure to fulfil the conditions accepted by common agreement."

(It is said that certain French politicians, to whom the above paragraph is unpalatable, have taken advantage of the ambiguity of the

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French equivalent of the words "put into execution" (*mise en exécution*) to argue that the Ruhr occupation might continue until Germany had completely carried out all the obligations imposed upon her by the plan. It is to be hoped that this contention will be duly scotched; but the point illustrates the disadvantages of drawing up international documents in two equally authoritative versions that can never be exactly identical.)

Having posited the restoration of economic unity, the Committee then show that stabilization of currency and the balancing of the budget are interdependent. Both are needed to enable Germany to meet her internal requirements and her Treaty payments. The Committee do not accept the view that the collapse of 1923 has permanently impaired Germany's capacity to pay. Broadly speaking, her productive capacity is potentially as great as ever. They point to her technical skill, her material resources and her eminence in industrial science and show that her plant capacity and transport facilities have been increased and improved since the war.

The task of stabilizing the currency has been facilitated by the temporary stability, or as the Committee prefer to call it, "the unstable equilibrium," achieved since December last by the establishment of the Rentenbank and the introduction of the new Rentenmark currency. To achieve permanent stability a new Bank of Issue is to be created, or the Reichsbank is to be so reorganized as to serve the same purpose. The Bank is to exercise the usual functions of a central bank, issuing notes on a gold basis (i.e. convertible into gold abroad) and regulating the official rate of discount. It will act as banker to the Government but is to be free from any government control. The capital of the Bank will be 400 million gold marks (£20,000,000) of which one quarter will represent the assets of the Reichsbank and the remainder will be offered for subscription in Germany and abroad. The managing board will be of German nationality, but in addition there will be a general board consisting of seven Germans and seven foreigners, one of each of the following nationalities: American, British, French, Italian, Belgian, Dutch, and Swiss. During the first year a foreign loan of 800 million gold marks is to be provided for the purpose of starting the Bank of issue and supplying the basis for a stable currency.

Given full economic and fiscal sovereignty and temporary relief from Reparation payments other than deliveries in kind together with a stable currency, as provided for above, the Committee consider that there should be no insuperable difficulty in balancing the budget within a period of not more than two years. The draft budget for the current year already drawn up by the German Government shows a small balance on the right side. This may prove to be unduly sanguine, but provided the scheme is brought into effect promptly, it is unlikely that the deficit will be so large as to endanger stabilization. The collection of direct taxes (except on

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wages and salaries) has been rendered practically impossible by the catastrophic fluctuations of the mark during 1923, but if stability is maintained the income tax should show a normal yield in 1925. The Committee have made a careful study of Germany's fiscal system and make several valuable criticisms and suggestions, especially with regard to the relations of the Reich and the States. As regards the amount of the annual burden the Committee lay down the principle of "commensurate taxation" and claim that their proposals will not impose on the German taxpayer a greater burden than that borne by taxpayers in Allied countries. Though it is admitted that there is an important difference between taxation for the payment of interest on an internal debt and taxation for payments to foreign creditors, it is only fair that the individual taxpayer should be taxed as heavily in Germany as elsewhere.

Reparation payments are to be obtained in the first instance *in marks* from the following sources : taxes, railways, and industrial debentures. In a normal year, which will be reached in 1928-29, the amount to be obtained from taxes will be 1,250 million gold marks. This will be a standard payment only to be increased if justified by a special index of prosperity. From the German railways the standard payment, to be reached in 1927-28, will be 660 million gold marks in addition to 290 million gold marks from the transport tax. Five milliards of industrial debentures charged on German industry are to be created bearing interest at 5 per cent with 1 per cent sinking fund. No interest will be payable in the first year, 125 million in the second, and 250 million in the third, and thereafter the full amount of 300 million gold marks per annum. The total payments from all sources rise from 1,000 million gold marks in the first year to a total of 2,500 million gold marks (£125,000,000) in the fifth year, plus a contingent amount to be computed according to the index of prosperity. (This index number is to be a composite index based on percentage changes in the following : (1) total of German exports and imports ; (2) budget receipts and expenditure ; (3) railway traffic weights ; (4) value of sugar, tobacco, beer, and alcohol consumed ; (5) population ; (6) consumption of coal per head.) The first year will begin to run from the date when the plan is fully accepted and put into effective execution. The above annual payments will cover all amounts for which Germany may be liable to the Allied and Associated Powers, including the cost of deliveries in kind, the cost of the armies of occupation, and the expenses of the Reparation Commission and all other Allied Commissions.

Hitherto the Committee have been dealing only with the problem of raising the necessary money in Germany. The question of transferring these vast sums over the exchanges into foreign currencies is treated separately in an original and ingenious manner. A Transfer Committee will be appointed, which will look after the business of remittances

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abroad, taking care not to endanger the stability of the exchange market. Experience will show the rate and extent to which remittances can safely be made and any sums not remitted will accumulate on deposit in the Central Bank. The Transfer Committee is thus in some respects the pivot of the whole scheme. It will clearly exercise a very considerable influence on German monetary conditions and will have a delicate and in some ways unprecedented task to fulfil. Its relations with the new Bank of Issue seem likely to prove difficult and somewhat anomalous; for example, it is not clear whether the Bank or the Transfer Committee is to act as the predominant partner in laying down monetary policy and controlling the state of credit. It is laid down that the Transfer Committee may make representations to the Bank in regard to its discount policy if in its opinion the bank rate is too high or too low. The Committee may also be forced to exercise an effective control over the market and foreign exchange. It thus appears that the Transfer Committee will itself exercise some of the functions of a central bank, under conditions similar to those in countries with a gold exchange standard. Credit control under any conditions is difficult enough; and the experience of recent years in exchange control and monetary stabilization does not suggest very strong grounds for confidence in this part of the scheme. The Committee do not indeed profess to have worked out the full implications of the Transfer Committee's functions, and they have left it to experience to suggest the most practicable *modus vivendi* under which co-ordination and a common policy can be secured. Possibly the Transfer Committee may decide to use the central bank as its agent for the purpose of foreign exchange. For if German currency is to be based upon a gold exchange standard, it will be necessary in any event for the central bank to be prepared to buy and sell foreign exchange within certain fixed limits. If large foreign remittances are to be made it would seem necessary that the mark should be kept permanently depreciated slightly below its purchasing power parity. If this were done, vexatious interference with the foreign exchange market might prove to be unnecessary, and the Transfer Committee might well leave it to the central bank to choose its time for operating on the market in the ordinary course of its duties. But whatever the methods that may be adopted to deal with these difficulties, the Committee have made a big advance in defining Germany's obligation in terms of gold marks to be collected in Germany and not in the equivalent of gold marks to be paid in dollars or other foreign currencies.

It is interesting to note as a further example of the Committee's shrewdness and foresight that there is a provision for modifying the amount of the annual payment if the value of gold should change by more than 10 per cent either way. The absence of any such provision from the Treaty provisions has in the past meant that Germany's nominal

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liabilities increased with the value of gold by nearly 80 per cent between the peak of the boom in 1920 and the bottom of the slump in 1921.

As collateral security for the payments indicated the experts propose that the duties on customs, alcohol, tobacco, beer, and sugar should be specially ear-marked and paid into the account of a Commissioner, with sub-commissioners for each of the five controlled revenues. The Commissioner would have the right of independent audit and to some extent of administrative supervision ; but the Committee are anxious to avoid detailed interference, and in particular desire to leave Germany's tariff policy free from outside intervention. The yield of the assigned revenues will to some extent govern the payments to be made in 1926-27 and 1927-28 ; but in a normal year Germany will receive back the whole of any surplus derived from them over and above the annuities provided for in the general scheme.

The most drastic change proposed by the Report is perhaps the transformation of the German federal railways into a joint stock company. At present the railways are in the curious position of being practically unencumbered with debt, owing to the depreciation of the mark, but at the same time overstaffed and uneconomically run. Provision is made for the issue of 11 milliards of first mortgage bonds to be handed over to trustees appointed by the Reparation Commission, and 2 milliards of preference shares, three-quarters of which are to be sold to private investors, while the whole of the common stock, amounting to 13 milliards, will be held by the German Government. The Board of Directors of the company is to have a majority of fourteen Germans to four of other nationalities. In addition there is to be a Railway Commissioner to represent the interests of the Allies with power to veto expenditure and to order increases of tariffs. In the event of default, the Commissioner would be entitled to assume full control.

We may fairly assume that there will be considerable opposition, latent if not openly expressed, to the proposal to transform the German State railways into a joint stock company. If, as may be inferred, one of the main objects is to reduce the numbers of the staff and take away some of the privileges traditionally associated with State service, the rank and file of the railway employees and even the higher grades of established officers will hardly be disposed to welcome the new régime. The Allies themselves would be faced with an impossible task in dealing with strikes or sabotage arising out of such opposition ; and the success of the plan will depend to an exceptional degree on the goodwill of the German Government and its power to enforce its will upon a powerful and well-organized branch of the German Civil Service. We are not altogether sanguine of the results, and our first impression is that the Committee has in this part of its scheme gone rather too far in the direction of interference in the internal affairs of Germany.

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An objection has been raised to the scheme as a whole on the ground that Germany's total liability is still not fixed. This has for long been regarded as the *sine quā non* of any Reparations settlement ; and so it must be, of course, of any ultimate settlement. But apart from the fact that any reconsideration of total liability would have been strongly resisted by the French Government (which still clings to the absurd figure of 132 milliards representing the Reparation Commission's estimate of total damage), the Committee have probably been wise at this stage not to lay stress on the need for fixing any capital sum but merely to make provision for a limited number of fixed annuities, leaving future annuities to be dealt with when a final settlement is made. The grounds for this are, first, that the total amount of the debt is of less immediate concern to Germany than the annual sums to be paid in the near future ; secondly, that for stabilization of the currency and the balancing of the budget it is more important to provide a few years' partial moratorium than to reduce future liabilities ; and thirdly, that no final definition of total liability is politically possible without a simultaneous settlement of the problem of Inter-Allied debts. Under the scheme as it stands Germany undertakes to pay fixed amounts for five years and a standard annuity thereafter (subject to any increase based on the index of prosperity), but the period during which she is to continue to pay is left open. If at any time during the next twenty years Inter-Allied debts, including the British debt to America, should be wiped off or written down, it may be assumed that Germany's total liability will by general agreement be correspondingly reduced.

Meanwhile it is interesting to note that the standard annuity of 2,500 million marks provided for by the experts represents the interest at 5 per cent on 50 milliards marks, which is the sum of the "A" and "B" bonds already issued. But since this annual payment is not sufficient to cover any sinking fund, Germany's nominal liability as measured by the bonds already issued will be just as great twenty years hence as now. This fact, combined with the contingent index-of-prosperity payments, has enabled the French members of the Committee to convince their Government that the Experts' Report not only proposes no reduction in Germany's total liability but leaves it open to the Allies to claim their full pound of flesh later, when more favourable conditions have been brought about by a few years' partial moratorium. This situation undoubtedly has its dangers ; but the Experts have at least provided a breathing space in which the protagonists may be brought back to a state of comparative sanity. In five or ten years' time, if not before, let us hope that new minds and new methods will be brought to bear on the problem of Franco-German relations.

It may not be out of place in concluding this brief commentary to add a few words of personal and psychological interest arising out of

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the Report. We have said that the Report illustrates the spirit and method of public administration applied to an international political problem. The same might be said of the League of Nations' schemes for the financial reconstruction of Austria and Hungary. And in all three cases it may fairly be claimed that the guiding hand and the driving force have been those of British experts who have been among the most distinguished Civil Servants of their generation. Of Sir Arthur Salter's contribution to the solution of all three problems, his friends and colleagues both here and abroad are better acquainted than the general public. Sir John Bradbury has had the thankless task of upholding the standard of sanity through five long years of friction and disillusion. Now we have Sir Josiah Stamp taking his part. He joined the Committee of Experts with the newly-acquired prestige of a business man ; but he brought to it, in addition to a natural fair-mindedness and a unique economic erudition, the training and experience of many years in the Inland Revenue Department. We see his hand most clearly in the special attention given to Germany's budgetary and fiscal problem ; but we think we trace something of his spirit and draftsmanship, not only in the whole tenor and arrangement of the Report, but in the numerous ingenious suggestions and skilful devices designed above all to make the scheme workable and administratively practicable.

It is often made a charge against Civil Servants that they have no imagination. No charge could be more unfair in the case of our great Civil Servants. There is no profession calling for a more constant exercise of broad-minded vision and imagination. A successful business man needs a commercial instinct and sometimes a creative imagination. A successful politician needs an imaginative sympathy with the emotions and aspirations of his followers. But the creative imagination and psychological insight needed by a successful administrator must be greater, more comprehending, and more subtle than those of either the business man or the politician. It is sufficient to say of a Civil Servant that he is "politically-minded" to indicate that he falls short of the highest standards of his profession.

We are not sure that this professional standard is upheld with the same rigour or backed by the same traditions across the Channel. At any rate it is commoner to find "politically-minded" experts at Inter-Allied gatherings than in home affairs. This fact has been a continual obstacle to the treatment of the Reparations problem in a scientific spirit. Reading between the lines of this Report we see evidence of a struggle between the old political and nationalist prepossessions and the new and more detached outlook that should inform the profession of public administration. The result is unmistakably a tribute to the success of those who are laying the foundations of the new art of international administration.

## The Officers of the House of Commons

By H. B. LEES-SMITH, M.A.

ONE of the least-known branches of the public service is that attached to the House of Commons. The members are recruited by a special system, have their salaries fixed by a method peculiar to the House, and live in a world entirely cut off from the Civil Service as a whole. Few Members of Parliament fully realize the functions of the quiet and efficient men who are continually passing and re-passing amongst them. Yet on the work of these men depends the smooth and regular procedure of the House.

At the head of the officials of the House of Commons stand a number of great officers, whose duties must be described first in detail.

**THE SPEAKER.** The Speaker is the axle on which the Parliamentary machine revolves. He is the guardian of order in the House, the interpreter of its rules, the defender of its privileges, and its official mouthpiece for communicating with all persons and authorities outside the House itself.<sup>1</sup> Although many of his powers and duties are laid down by law, most of them are dependent upon the general authority that he has derived from the House itself.

He is elected by the House of Commons at the beginning of each Parliament. If he retires or dies before the Parliament comes to an end, a successor has to be elected for the remainder of the period. His election must receive the formal assent of the Crown, which has not been refused since the case of Sir Edward Seymour in 1678. He receives a salary of £5,000 a year. On his retirement the Crown has of late years granted him a peerage and the House of Commons—although not without disagreement<sup>2</sup>—has voted him a pension of £4,000 a year.

One of the first principles of Parliamentary procedure is that the authority that the Speaker possesses is derived in reality from the House itself. This is well exemplified by the rule that a Member cannot be

<sup>1</sup> A detailed category of the Speaker's duties is contained in the *Report of the Select Committee on the Office of the Speaker*, 1853, pp. 12 and 13. Another carefully prepared statement of his duties, made by Sir Reginald Palgrave when he was Clerk of the House, is contained in Erskine May's *Parliamentary Practice* (12th Edition), pp. 177–180.

<sup>2</sup> 31st Jan., 1911, p. 7.

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suspended by the Speaker but only by a vote of the House. In doubtful points of order where the regulations of the House are inapplicable or obsolete, the Speaker should refer the matter to the House itself.<sup>1</sup>

It follows that a ruling of the Speaker may be challenged in the House. In order that in this case the House should act with due deliberation, it is laid down that questions concerning the conduct of the Speaker<sup>2</sup> cannot be debated save upon a substantive motion.<sup>3</sup> The same rule applies to the Sovereign, the Heir to the Throne, the Viceroy of India,<sup>4</sup> the Governor-General of the Dominions,<sup>5</sup> the Chairman of Ways and Means,<sup>6</sup> the Deputy Chairman, the Temporary Chairman,<sup>7</sup> Members of either House of Parliament, and Judges of the Superior Courts of the United Kingdom, including Judges in the Court of Bankruptcy and County Courts.<sup>8</sup>

The last case of a debate upon the conduct of the Speaker was on 7th May, 1902, before which no such debate had taken place for 80 years. It is not unusual for Members to place motions of this character upon the paper, although in most cases they know that time to debate them will not be found.<sup>9</sup>

During the greater part of the last century it was an accepted principle that difficult discretionary powers should not be vested in the Speaker.<sup>10</sup> But one of the most marked developments of recent years has been the increasing tendency to overcome constitutional difficulties by turning the Speaker into an arbiter. An outstanding example of this device is the power, given to the Speaker by the Parliament Act, 1911, to determine what is a Money Bill.<sup>11</sup> In such a case an adverse decision by the Speaker might easily be equivalent, in practice, to the loss of the Bill.<sup>12</sup> Such a development could not have taken place but for the fact that the complete impartiality of the Speaker has become an accepted tradition.

<sup>1</sup> *House of Commons Journals*, Vol. I, p. 187.

<sup>2</sup> *House of Commons Debates*, 4th April, 1887, p. 371.

<sup>3</sup> A substantive motion is one that is not incidental to a proceeding before the House. For instance, a motion for the second reading of a Bill is a substantive motion, but an amendment to it is not.

<sup>4</sup> *House of Commons Debates*, 7th July, 1913, p. 39.

<sup>5</sup> *House of Commons Debates*, 7th July, 1913, p. 39.

<sup>6</sup> *House of Commons Debates*, 11th February, 1913, p. 749.

<sup>7</sup> *House of Commons Debates*, 26th July, 1901, p. 245.

<sup>8</sup> *House of Commons Debates*, 7th July, 1893, p. 1090.

<sup>9</sup> There is no opportunity to discuss the Speaker's conduct on the Estimates, as his salary is placed among the Consolidated Fund services and not the Supply Services. When a Speaker is being re-elected for a new Parliament members have occasionally made use of the occasion to criticize his conduct in the last Parliament.

<sup>10</sup> See the evidence of Speaker Brand before the Select Committee on Public Business, 1878, *Evidence*, p. 39; and Mr. Balfour's evidence before the Select Committee on House of Commons Procedure, 1906 (Second Report); *Evidence*, p. 2.

<sup>11</sup> The Act lays it down that the Speaker shall, if practicable, consult two members, to be appointed from the Chairmen's Panel at the beginning of each Session by the Committee of Selection.

<sup>12</sup> It should be noticed that in this case the Speaker exercises his authority not as the mouthpiece of the House of Commons, but by an independent statutory power conferred upon him by the Parliament Act, 1911.

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So important is this tradition that if it failed the Parliamentary machine could not be operated on its present lines.

In practice it is carefully maintained and strengthened by a number of conventions. For instance, a Member who is elected Speaker withdraws from all party politics.<sup>1</sup> When once elected he is re-elected in succeeding Parliaments.<sup>2</sup> When he stands for election to Parliament he is not opposed in his constituency.<sup>3</sup> His special authority is strengthened by the ceremony with which he is surrounded, for he is accompanied by many attributes of royalty. He lives in a palace, and holds levées for Members of Parliament, an invitation to which is equivalent to a command. When he proceeds to take his place at the opening of each day's sitting of the House the mace is borne in front of him, and his train carried behind him, with Members bowing as he passes. In some ways indeed he is more protected than royalty, for an attack upon the character and impartiality of the Speaker by any person outside the House is a breach of privilege which the House can, and does, punish, unless an apology is made.

THE CHAIRMAN OF WAYS AND MEANS. This officer's full title is "Chairman of the Committee of Ways and Means." His chief duty is to act as chairman of all committees of the whole House. He is appointed for each Parliament. The motion for his appointment is ordinarily made at the beginning of the first session, after the passing of the usual sessional orders and resolutions.<sup>4</sup> It is usually made from the Treasury Bench and is generally unopposed. His salary is £2,500 a year.

A great part of the work of the Chairman of Ways and Means arises from the fact that he acts as Deputy Speaker. It is surprising that until 1885, no specific provision was made to deal with the case of the Speaker's absence through illness. On these occasions the House either adjourned or another member was called to the chair during the Speaker's absence. Sometimes a new Speaker was formally elected, but resigned on the ostensible grounds of ill-health, on the recovery of the original Speaker.<sup>5</sup> The Speaker was absent on account of illness only twenty-nine times during the three centuries from 1547-1853.<sup>6</sup> On one of these occasions,

<sup>1</sup> The last Speaker who took an active part in the debates of the House was Speaker Abbott (1802-1817). A vote of censure was moved upon him on 22nd April, 1814, and, although it was not carried, the feeling of the House was so strongly shown that the debate established the principle of the non-intervention of the chair. His successor, Speaker Manners Sutton (1817-1855), made political speeches outside the House, and was, in consequence, not re-elected in 1835.

<sup>2</sup> This understanding has only been broken once during the last century, when, in 1835, the Whigs refused to re-elect Mr. Manners Sutton because he had made partisan speeches outside the House of Commons.

<sup>3</sup> This understanding was broken in the case of Mr. Speaker Gully in 1895, but the circumstances were exceptional, as Mr. Gully had just before the election been chosen Speaker on a party division by a majority of only 11 votes, and the opposition would not accept him as an impartial choice.

<sup>4</sup> Owing to special circumstances it was, in the session of 1924, postponed until a later date.

<sup>5</sup> *Report of the Select Committee on the Office of the Speaker, 1853*, p. vii.

<sup>6</sup> Sir Thomas Erskine May's evidence before the Select Committee on the Office of the Speaker, 1853; *Evidence*, p. 1.

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in 1606, the House appointed a committee to consider how this nuisance could be dealt with, but as the Speaker recovered the next day the committee never reported and no other committee was appointed to discuss the subject until 1853. The committee of 1853 recommended that the Chairman of Ways and Means should be appointed as Deputy Speaker. This recommendation was carried out by the passing of Standing Order No. 81, and, in the case of those of the Speaker's duties which depend upon statutory authority, by the Deputy Speaker's Act, 1885. The present provisions are that whenever the House is informed by the Clerk at the Table of the unavoidable absence of the Speaker, the Chairman of the Committee of Ways and Means performs the duties of the Speaker and exercises his authority as Deputy Speaker, until the next meeting of the House (and so on from day to day on the like information being given to the House until the House otherwise orders).<sup>1</sup>

In addition, another Standing Order provides that on days when the Speaker, although not "unavoidably" absent, wishes to vacate the chair for an interval, the Chairman or Deputy Chairman of Ways and Means takes the chair as Deputy Speaker when requested to do so by the Speaker without any formal communication to the House.<sup>2</sup>

The Chairman of Ways and Means is not so elaborately protected from political pressure as the Speaker. He is, in practice, appointed by the Government from among their own supporters and there is no understanding that he will be reappointed in succeeding Parliaments when another party is in office. His seat is contested, so that he is compelled to make political speeches during an election. His salary is on the Estimates and not on the Consolidated Fund.

**THE DEPUTY CHAIRMAN.** This officer was first appointed in 1902, as part of Mr. Balfour's Procedure Reforms of that year.<sup>3</sup> He is appointed for the lifetime of each Parliament at the same time as the Chairman of Ways and Means,<sup>4</sup> the motion for his appointment being made from the Treasury Bench. His salary is £1,000 per annum, and is voted in Committee of Supply. His duties are that he shall "whenever the Chairman of Ways and Means is absent from the chair, be entitled to exercise all the powers vested in the Chairman of Ways and Means, including his powers as Deputy Speaker."<sup>5</sup>

**TEMPORARY CHAIMEN OF COMMITTEES.** Provision has to be made for the periods when, during long sittings in committee of the whole House, both the Chairman and Deputy Chairman of Ways and Means are

<sup>1</sup> Standing Order No. 81 (1). The Standing Order goes on to provide that "if the House shall adjourn for more than 24 hours the Deputy Speaker shall continue to perform the duties and exercise the authority of Speaker for 24 hours only after such adjournment."

<sup>2</sup> Standing Order No. 1 (9).

<sup>3</sup> See Mr. Balfour's speech explaining the reasons of the new office. Parliamentary Debates, 30th January, 1902, p. 1259.

<sup>4</sup> Owing to special circumstances the appointment at the beginning of the Session of 1920 was postponed.

<sup>5</sup> Standing Order 81 (2). As to filling a casual vacancy, see proceedings of 6th Oct., 1911.

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absent. For this reason the Speaker at the commencement of every session nominates a panel of not more than five members to act as temporary chairmen of committees, when requested by the Chairman of Ways and Means.<sup>1</sup>

Temporary chairmen have no power to put the closure<sup>2</sup> or to select amendments.<sup>3</sup> If none of the temporary chairmen are present, the chair is usually taken by some other member, on a suggestion from the Treasury Bench or otherwise without any question being put.

*Appeals to the Speaker from the Decision of the Chairman of Ways and Means.* An important question of principle arises on the issue of whether members are entitled to bring before the Speaker the ruling of the Chairman of Ways and Means,<sup>4</sup> or of the chairman of a standing committee.<sup>5</sup> There is no such right of appeal, as each chairman is absolute in his authority. Similarly, there is no appeal to the Chairman of Ways and Means from the decision of the Deputy Chairman,<sup>6</sup> or a temporary chairman.<sup>7</sup> This doctrine has been continuously enforced by a series of Speaker's and Chairmen's rulings.

**THE SERJEANT-AT-ARMS.**<sup>8</sup> The appointment of this historic and dignified officer is in the gift of a King under a warrant by the Lord Chamberlain and by letters patent under the Great Seal. But after his appointment he is the servant of the House of Commons, and can only be removed on the presentation of an address from the House for that purpose. His salary is £1,200 a year, and he is provided with an official residence. The patent defines his duty as being "to attend upon His Majesty's person when there is no Parliament, and at the time of every Parliament to attend upon the Speaker of the House of Commons." His numerous duties can be summarized by describing him as the executive officer of the House of Commons. In this capacity he maintains order in the lobbies, passages, and approaches to the House; he controls the arrangements for the admission of strangers in accordance with the general regulations made by the Speaker; he takes strangers who misconduct themselves into custody; he brings to the Bar persons to be reprimanded by the Speaker or punished by the House; he is responsible for executing warrants upon persons committed to custody by the House, and he serves the Orders of the House on those to whom they are addressed.

Within the House a special seat is assigned to him and he continues

<sup>1</sup> Standing Orders No. 1 (9).

<sup>2</sup> Standing Order No. 26 (3).

<sup>3</sup> Standing Order No. 27 (a).

<sup>4</sup> House of Commons Debates, 11th Feb., 1913, p. 749.

<sup>5</sup> House of Commons Debates, 14th August, 1889, p. 1223.

<sup>6</sup> House of Commons Debates, 17th May, 1906, p. 731.

<sup>7</sup> House of Commons Debates, 27th Nov. 1893, p. 1883.

<sup>8</sup> The duties of the Serjeant-at-Arms are described in the Third Report of the Select Committee on the New Houses of Parliament (Serjeant-at-Arms), 1848. A later summary is to be found in the evidence given by Mr. Henry Erskine, the Serjeant-at-Arms, before the Joint Committee of the House of Lords and Commons Permanent Staff, 1899; *Evidence*, p. 26.

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responsible for order. It is his duty to remove members who are directed to withdraw or are suspended ; he gives orders to the door-keeper and others during the progress of divisions ; he keeps the gangways clear above and below the Bar ; he places the mace upon the table when the House is sitting as a House, and removes it to a resting place under the table when it is sitting as a committee of the whole House.

In order to carry out these duties, he has under him a considerable staff of doorkeepers and messengers and, in addition, issues such orders to the police who are stationed within the precincts of the House as he considers necessary. In maintaining order within the Chamber itself, he relies upon his messengers to furnish him with such physical force as may be needed, and there has only been one occasion on which it was found necessary to summon the police. He adds to these duties functions of a different character as Housekeeper of the House, a position to which he was appointed by an Act passed in the year 1812. In this capacity he is in charge of all the rooms of the House of Commons excepting the Chamber itself, for which the Office of Works is responsible, and for this purpose he maintains a staff of office-keepers and cleaners.

Finally he performs such ceremonial duties as preceding the Speaker, carrying the mace, when the Speaker is entering or leaving the House of Commons, or going to the House of Lords or presenting addresses to His Majesty.

**THE DEPUTY SERJEANT-AT-ARMS AND THE ASSISTANT SERJEANT-AT-ARMS.** The Deputy Serjeant-at-Arms has an official residence and a salary of £800 a year. The Assistant Serjeant-at-Arms has a salary of £700 a year. The chief duty of the Deputy Serjeant-at-Arms is to assist the Serjeant-at-Arms during his long vigils in the House by taking his place when he is absent from his seat. The Assistant Serjeant-at-Arms is mainly responsible for the duties that fall to the Serjeant-at-Arms in his capacity as Housekeeper of the House. Members are brought into close touch with him since he provides them with committee rooms for meetings, conferences, and similar purposes.<sup>1</sup>

**THE CHAPLAIN.** The Chaplain of the House of Commons is nominated by the Speaker, and receives a salary of £400 a year, paid out of the Supply votes. His duty is to conduct the prayers with which the House of Commons opens its sitting each day. This officer is a product of the Cromwellian Parliaments. Up to that period the only service held was at the opening of Parliament. In 1563 daily prayers were begun and read by the Speaker, and six years later a special preacher to the House was appointed with an official salary.

**THE CLERK OF THE HOUSE OF COMMONS.** This ancient and important

<sup>1</sup> The duties of the Assistant Serjeant-at-Arms are described in the Third Report of the Select Committee on the two Houses of Parliament (Serjeant-at-Arms) 1848, and in the evidence of Mr. Henry Erskine, Serjeant-at-Arms, given before the Joint Committee on the Houses of Lords and Commons Permanent Staff, 1899 ; *Evidence*, p. 27.

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officer stands at the head of the clerks of the House of Commons. He is appointed for life by the Crown by letters patent, the appointment being made on the nomination of the Prime Minister. He receives a salary of £3,000 a year, paid out of Supply votes, together with a pension on retirement. He sits, attired in wig and gown, at the table while the House is sitting as a House, but is free from attendance while it is sitting as a committee.

His function may be summarized by defining him as the Secretary of the House of Commons. He reads the Orders of the Day and whatever else is required to be read from the table. He signs the orders of the House, its addresses and votes of thanks, and endorses Bills before they are sent to the House of Lords. He is responsible for the care of the records and documents of the House. The department of the Clerk of the House contains about thirty officers and conducts most of its business. His most responsible functions arise from his position as adviser to the Speaker and to individual members on points of order and procedure. He is expected to be the chief authority upon the rules and practice of the House and, in this capacity, his influence at critical times may be decisive. This tradition has been kept fully alive by a long line of famous Clerks of the House, whose evidence and advice, made known through parliamentary committees and other channels, have been one of the factors that have created the existing procedure.

**THE CLERK ASSISTANT AND THE SECOND CLERK ASSISTANT.** These two officers who, with the Clerk of the House, are usually known as the Clerks at the Table, are appointed by the Crown on the recommendation of the Speaker, and can only be removed by an Address of the House of Commons. The salary of the Clerk Assistant is £1,800 a year, and of the Second Clerk Assistant is £1,000, rising to £1,200 a year. Since the time of Sir Erskine May, they have been appointed from the staff of the House, and their positions are the chief prizes of this small profession.<sup>1</sup> Usually, though not invariably, the Clerk Assistant becomes the Clerk of the House. They sit at the table of the House attired in wig and gown, in seats provided on the left of the Clerk of the House. When the House is sitting in committee, the Clerk of the House is not present, and the committee is taken by the Clerk Assistant who has, on this account, the subordinate title of Clerk of Committee.

The chief duty of the clerks at the table is to keep a record of the proceedings of the House, and the task of doing this accurately while they are at the same time receiving a never ending stream of notices, motions, and questions, and answering queries from Members, places them amongst the hardest worked members of the staff. During the sitting of the House each clerk keeps a book in which he makes entries

<sup>1</sup> Report of Joint Committee on Houses of Lords and Commons Permanent Staff, 1899; Evidence, p. 24.

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of the proceedings which are taking place and of the notices and other papers which are handed in at the table. When the House is in committee, only one book, the committee book, is kept.<sup>1</sup> The *Votes and Proceedings*, circulated to Members every morning, are made up from the minutes, notices of motions, questions, amendments to Bills and other items, which the clerks begin to send to the printer and the Journal Office soon after the House meets each day. Although a great part of the work of preparing these *Votes and Proceedings* is carried out by the Journal Office, the Clerk Assistant is responsible for ensuring that they are correct, prompt, and intelligible.<sup>2</sup> The official duties of these two officers do not comprise the whole of their work. They sit at the table before the eyes of the whole House and at the disposal of every Member, and are involved in a large amount of informal work, such as giving information to Members, discussing with them whether their notices and questions are in order, altering them so as to make them in order, and not infrequently correcting their grammar and phraseology. If the clerks and a Member disagree as to whether a question or notice is in order, the subject is finally referred to the verdict of the Speaker.

In addition to these principal officers, there is a small army of parliamentary officials, whose work is done out of sight of Members of the House. This staff is divided into three departments—

1. The Department of the Clerk of the House.
2. The Department of the Speaker.
3. The Department of the Serjeant-at-Arms.

**THE DEPARTMENT OF THE CLERK OF THE HOUSE.** The department is responsible for the greater part of the official work of the House of Commons, and consists of a staff of twenty-five clerks, who approximate in their scale of salaries and their qualifications to the Administrative Grade of the Civil Service. There are three principal clerks, one in charge of each of the three offices into which the department is divided, ten senior clerks and twelve assistant clerks. The salaries of the principal clerks are from £1,000 to £1,200 per year, of the senior clerks from £650 to £900 per year, and of the assistant clerks from £150 to £600 per year.

The department is divided into three offices—

1. The Public Bill Office.
2. The Journal Office.
3. The Committee and Private Bill Office.

**THE PUBLIC BILL OFFICE.** The discussions and recommendations of the clerks in this office exert a silent but continuous influence on the proceedings of the House. The provisions by which notice must be given of all important substantive motions that Members wish to bring before

<sup>1</sup> Select Committee on Official Publications, 1906; *Evidence*, p. 25.

<sup>2</sup> Mr. Nicholson's evidence before the Select Committee on Official Publications, 1906; *Evidence*, p. 62.

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the House are required for the sake not mainly of Members but of the officers of the House. The interval between the appearance of the notice of motion upon the paper and its discussion in the House is essential to enable the office to bring to bear upon the motion that expert investigation on which its decisions depend. Its work can best be explained by tracing its duties at each stage of the passage of Bills and Estimates through Parliament.

A Member who intends to introduce a Bill must first give notice of the Bill. As soon as this notice appears the work of the Public Bill Office begins. It must decide from the name of the Bill, whether it appears to come under the definition of Money Bills and must conform to the special procedure applicable to such Bills. As the office has not at this stage seen the draft of the Bill, but merely its title, the question is frequently a difficult one to determine, and immediate enquiries as to its scope have to be made from the Member who gave notice of the Bill, or the department of Government to which it relates. At the same time the title and short title of the Bill have to be carefully examined in order to avoid the introduction of more than one Bill with the same short title and, as far as possible, to keep the same short title that has been used in previous years, in order to facilitate references to former Journals.

After a Bill has passed its first reading, the Member who has charge of it brings it to the Public Bill Office. It is then examined to see that it is in proper form and that it agrees with the title and does not go beyond it. If it imposes any change upon the Consolidated Fund or the votes, the proposal has to be printed in italics and the Member informed that it will be necessary for him to obtain the King's Recommendation and a vote of the committee of the whole House to sanction the change.

A further possibility which may be revealed by reading the draft Bill is that it interferes with private rights, or that it comes within the definition of a Hybrid Bill, one of the most difficult points to determine in the whole range of procedure. If the office decides that it is a Hybrid Bill, the Member in charge of it is informed that the Bill must be referred to the examiners. On this point the office is likely to find itself involved in a difficult argument with the Member, as he has probably taken no preliminary steps to comply with the Standing Orders, and does not wish to be saddled with the fees that he would have to pay if the examiners should report that any Standing Orders are applicable to the Bill.

The office has no special duties during the second reading of the Bill, but as soon as it reaches its committee stage, the office renews its activity. The notices of the amendments put down for committee are scrutinized daily, and should any amendment appear to go beyond the title and scope of the Bill, to involve any change or to be otherwise out of order, the attention of the Chairman of Ways and Means is called to the fact.

A further responsibility that falls upon the Public Bill Office is to

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ensure the absolute agreement of the Bill with the proceedings in committee, which frequently take place amidst a great deal of uncertainty and confusion. It is the duty of the chairman, as a Bill passes through committee, to alter his copy of it as each amendment is carried. The clerks at the table also keep committee minutes and notes of the decision of the committee on each amendment. The Public Bill Office compares these three authorities and, when there is any discrepancy, effects a reconciliation between them.

When the Bill proceeds to report stage, the office carries out duties similar to those that it performs during committee stage, comparing the Bill as kept up by the Clerk of the House with the minutes and authorities.

The office has no special duties during the third reading of the Bill, except to prepare a fair copy of it with all the amendments that have been made during committee and report. After the third reading it is responsible for the accuracy of the "Lords' Copy" of the Bill, which is printed to be sent to the other House. If the Bill comes back to the House of Commons with amendments to which the Commons do not agree, the office draws up the reasons for disagreement and prepares the necessary message to the Lords.

*Estimates.* The estimates are voted by resolutions passed through Committee of Supply and agreed to by the House on report. The resolutions are prepared in the Public Bill Office and copies of them are sent to the Treasury, Admiralty, and War Office, as the case may be. After these resolutions have been passed, the amounts voted are entered in supply books. The office prepares the resolutions passed by the Committee of Ways and Means, and supplies the figures required for insertion in the subsequent Consolidated Fund Bills and the Appropriation Bill.

*Private Bills.* If any charge on the Consolidated Fund or the votes appears in a Private Bill, a resolution embodying this charge must be voted in committee of the whole House and agreed to by the House. Then the requisite instruction must be made out to the committee on the Bill. It is the duty of the Public Bill Office to prepare the resolution and the subsequent instruction.

*Privileges of the Commons.* It is the special duty of the principal clerk in the Public Bill Office to guard the House of Commons against any breach of its privileges by the House of Lords. The question of what constitutes privilege is in many cases an exceedingly complicated one, which can only be answered by laborious research. The office examines all Bills introduced into the House of Lords, and all amendments proposed by the House of Lords in Bills which come up to it from the Commons. If any privilege is thought to be infringed the office enters into communication with the Public Bill Office of the House of Lords

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upon the subject. When an agreement is reached, the objectionable matter is struck out on third reading in the Lords, and placed within brackets and underlined when the Bill is ordered to be printed by the Commons. If the Bill is one which, in the opinion of the principal clerk, ought properly to originate in the House of Commons rather than in the House of Lords, such as Bills granting money, he confers with the principal clerk of the Public Bill Office in the House of Lords with a view to its withdrawal and alteration.

The principal clerk has attached to him, *ex-officio*, two further offices involving special duties. He is clerk of the fees, and in this capacity examines every Private Bill on its first reading, in order to assess the rate of charge according to the table of fees. He settles the questions frequently raised by agents respecting the *ad valorem* charge or charges for attendance before Private Bill Committees. In case of disagreement the decision is left to the Speaker. He is also paymaster and accounting officer of the House of Commons, and in this capacity countersigns all orders for payments to witnesses, and issues orders for a variety of other payments such as those for Members' salaries.

In addition to the duties enumerated, the clerks in the Public Bill Office have to take divisions and mark the name of each Member in the division lists as he votes. They perform this function in common with the clerks in the Journal Office and Committee and Private Office. As four clerks are needed for each division, this distinctly dreary task compels them to bear a considerable share of the long vigils which Members endure when the House is sitting late.

**THE JOURNAL OFFICE.** The House of Commons provides two official records of its work—the *Votes and Proceedings*, which are issued daily, and the *Journal*, which is the permanent and legally-recognized record. Both these documents deal with the action of the House as distinct from the speeches delivered within it. The main duty of the Journal Office is to compile these two sets of papers.

1. The *Votes and Proceedings* is a summary record of the daily business in the House of Commons. The clerks at the table take minutes of the proceedings as soon as the House meets and are constantly sending them to the Journal Office throughout the day. But the greater part of the Votes of the Proceedings are taken up, not by the acts of the House but by the record of papers presented to the House and of the reports of committees, neither of which in reality come before the House at all, but are included in the *Votes and Proceedings* as having taken place. These papers and reports are sent to the Journal Office which is charged with the duty of entering them upon the *Votes and Proceedings*. The duty of deciding whether the House of Commons papers shall be printed devolves upon the Librarian, whose instructions the Journal Office carries out. Although the actual work of producing the *Votes and Proceedings*

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falls mainly upon the Journal Office, the final responsibility for ensuring that they are accurate rests upon the Clerk Assistant.

2. The *Journal* is the permanent official record of the proceedings of the House, accepted as evidence in the Courts of Law. The duty of compiling it is laid upon the Journal Office. The clerks of the office translate the Votes and Proceedings into lengthy and archaic forms which maintain continuity with the preceding centuries. The heaviest work which is laid upon the Journal Office is the preparation of the general *Index* published every ten years. This *Index* is not only a record of the contents of the *Journal* but a most elaborate collection of precedents relating to the forms and rules of the House, and is, indeed, the chief authority to which the officers of the House turn to when they wish to determine questions of order and procedure. The task of preparing the *Journal* and the *Index* is so laborious that proposals have been made that they should be abandoned, and that there should be issued in their place a fuller form of the *Votes and Proceedings*, together with a special collection of precedents for the use of officials.<sup>1</sup> This suggestion would undoubtedly lead to a reduction to the staff of the Journal Office, but no committee has, as yet, ventured to recommend it.

THE COMMITTEE AND PRIVATE BILL OFFICE. Until 1914 the Committee Office and the Private Bill Office were distinct establishments but they have now been amalgamated, with one principal clerk at the head responsible for the whole work of the office. The duties of the clerks may be divided under five main heads, in accordance with the type of committee which they have to attend.

1. *Standing Committees*. Two clerks attend each standing committee—a senior clerk who is responsible for the Committee Bill and writes into it each amendment as it is made, and a junior clerk who keeps the minutes of the proceedings. The senior clerk stands in very much the same relationship to the Chairman as do the Clerks of the House to the Speaker. He must give advice when consulted and, if necessary, discreetly do so on his own initiative.

2. *Select Committees*. One clerk attends each Select Committee and performs the duties of a secretary. He keeps the minutes, conducts the correspondence of the committee, arranges with the chairman what witnesses are to be called each day, examines the corrections of their evidence made by witnesses, and checks their claims for payment of expenses.

During recent years the duties of the clerk have been much more than secretarial, since the chairman now usually expects him to assist in the preparation of his draft report and even to write it himself. The clerk must therefore obtain a complete grasp of what is probably a

<sup>1</sup> Evidence of Sir Courtenay Ilbert, Select Committee on Official Publications, 1906; *Evidence*, p. 30 seq. See, however, Mr. Speaker Lowther's opinion as to the necessity of continuing the *Journals*; Select Committee on Publications and Debates Reports, Session 1916, Appendix No. 2.

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complicated subject and must adapt his knowledge to the general lines which the chairman wishes to be followed, with a careful appreciation, moreover, of the views of individual members of the committee.

The remaining duties of this office are mainly concerned with Private Bills.

3. *Private Bill Committees.* These are usually taken by a junior clerk. He keeps the minutes, sees that reports from Government departments are laid before the committee, and their recommendations considered, ensures that the agents in going through the Bill at the conclusion of the proceedings correctly interpret to the committee every material alteration that has been made, and ascertains that the report accurately sets out the decision of the committee.<sup>1</sup>

4. *The Office of Examiners.* One of the clerks in the office is appointed clerk to the examiners and attends their meetings, at some of which he is assisted by another clerk from the office temporarily selected for this duty.

5. *Court of Referees.* One clerk is allocated to take the minutes and act as secretary to this body.

THE RECRUITMENT OF THE DEPARTMENT OF THE CLERK OF THE HOUSE. The Clerk of the House has absolute power to appoint and dismiss all the officials in his department.<sup>2</sup> The method of appointment has, however, been to a considerable extent made similar to the Civil Service system. The Clerk of the House nominates a number of candidates from amongst those who apply to him, and asks the Civil Service Commission to select for the final appointments, by means of a competitive examination, from amongst these nominees.<sup>3</sup> The examination is the same as for the Administrative Grade of the Civil Service.

THE DEPARTMENT OF THE SPEAKER. This department is much smaller than that of the Clerk of the House. It consists, in addition to the Speaker's secretary, mainly of the staff of the Library and the Vote Office,<sup>4</sup> both of which are under the Speaker's control. The Sale Office, where Members may buy those Parliamentary papers which are not delivered to them free, is also part of the Speaker's department. The remaining officers of importance are mainly engaged in Private Bill work, and consist of the Council to the Speaker, the Examiner of Petitions for Private Bills, and the Taxing Officer. The Speaker has the right to appoint and dismiss all officers in his department.

THE SPEAKER'S SECRETARY. The Speaker's Secretary acts as liaison officer between the Speaker and the Members of the House of Commons;

<sup>1</sup> The Manual on Committee Office Procedure sets out in detail the duties of the Clerks attending the different types of committee.

<sup>2</sup> Act 52, George III, c. 11, and Report of Joint Committee on House of Lords and Commons Permanent Staff; *Evidence*, pp. 14 and 15.

<sup>3</sup> See the evidence of Sir Reginald Palgrave, Clerk of the House, before the Joint Committee on Houses of Lords and Commons Permanent Staff, 1899; *Evidence*, p. 15. Sir Reginald Palgrave's practice has been continued to the present day.

<sup>4</sup> The Vote Office is responsible for delivering Parliamentary papers to Members.

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the Speaker, much like the captain of a ship, is very isolated, not having access to the dining-rooms, library, or smoking-rooms in the House ; he therefore relies on his secretary to keep him informed of the opinion of Members generally on many matters connected, directly or indirectly, with the House of Commons.

He is responsible for arranging the Speaker's official dinners, levées, and receptions. He issues tickets for the Distinguished Strangers' Gallery, and deals with applications for tickets for the gallery allotted to the wife of the Speaker. He is the secretary to the commissioners for regulating the offices of the House of Commons. He deals with the Speaker's correspondence, which is considerable, both from his own constituents and from all parts of the world ; he also prepares the Speaker's warrants authorizing the Clerk of the Crown to issue writs for election of Members. His salary is £700 per year.

**THE STAFF OF THE LIBRARY.** This is part of the department of the Speaker. The staff consists of the Librarian, the Assistant Librarian, two clerks, and two messengers. The salary of the Librarian is £1,000 to £1,200 per year and of the Assistant Librarian £400 to £600 per year.<sup>1</sup>

**THE DEPARTMENT OF THE SERJEANT-AT-ARMS.** The Serjeant-at-Arms has a staff of over sixty in his department consisting mainly of door-keepers, messengers, porters, and cleaners, all of whom he has the right of appointing and dismissing. The work of the Admission Order Office and its clerks are also under his control.

**SALARIES AND PENSIONS.** The salaries and pensions of all the officers that have been described are controlled by a Special Commission, constituted by an Act of 1812.<sup>2</sup> The Commission consists of the Speaker,

<sup>1</sup> It is not necessary to detail the duties of the library staff except in so far as they differ essentially from those of librarians as a class. Amongst these are the compiling of a daily index to the "Votes," and the filing and indexing of the presentation copies of all papers presented to the House. As the papers of the Parliamentary set are issued they are filed and indexed immediately for current use. At the end of each Session the Librarian arranges these in volumes to which the Assistant Librarian supplies an index. He also prepares the decennial index. The library is open all the year round, and to the Librarian, as representing the House, "command" papers may be presented during a recess, after adjournment or prorogation. In theory the Librarian, under the Speaker, exercises his discretion as to which of the papers other than "Command," shall be printed. In practice the decision is made by the department of origin which knows what seed it wishes to sow, the Stationery Office, which estimates the cost of publication and the chance of sales to the public, and the Treasury, which has to meet any deficit. The fate of a paper in this respect is, therefore, settled before it is even presented.

There are four special collections of documents in the Librarian's case : (1) The well-known "Parliamentary set"; (2) The presentation copies of all papers are in the custody of the Librarian—at the end of a Session these are weeded out ; only those are kept which have not been included in the set of Parliamentary publications, and copies are obtained of those which were presented in dummy—thus is formed a collection of "Unprinted papers" which are indexed and preserved in the library ; (3) There is also another accumulation, the "Deposited papers," of documents sent to the library for the use of Members to supplement the answers to questions or statements made during debates ; (4) A fourth separate category of papers is made up of a selection of official publications not included in the Sessional Parliamentary "set." Of these the "Unprinted" and the "Deposited" are peculiar to this library and very many of them are not to be found elsewhere.

<sup>2</sup> Act 52, George III, Cap. XI, Sec. 2.

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the Secretaries of State who have seats in the House of Commons, the Chancellor of the Exchequer, the Master of the Rolls, the Attorney-General and the Solicitor-General, any three of whom, including the Speaker, may form a quorum. The Speaker's Secretary acts as secretary to the Commission. It has no power over the appointment or dismissal of officers, but only over their salaries and pensions.<sup>1</sup>

MISCELLANEOUS SERVANTS. In addition to the staff of the House of Commons itself there are a great number of men and women employed in duties about the precincts of the House who are officials of some other authority. The Kitchen Committee of the House of Commons is responsible for the staff of the dining-room, tea-room, and smoking-room. The Office of Works is responsible for the lighting, heating, care and maintenance of the entire parliamentary buildings, including both Houses, and for this purpose maintains a permanent staff of about 150 persons. But it must be remembered that the police although they must assist the Serjeant-at-Arms, are not within his department, but are members of the Metropolitan force.

<sup>1</sup> See Joint Committee Houses of Lords and Commons Permanent Staff, 1899; *Evidence*, p. 22 seq.

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## *Administration of the Telephone Service*

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# The Public and the Administration of the Telephone Service

BY SIR A. M. OGILVIE, K.B.E., C.B.  
(late Second Secretary to the Post Office)

THERE are few civil servants whose work brings them into contact or direct communication with the public who do not experience a certain antagonism in the attitude of those with whom they have to do business. This antagonism is common to civil servants of all departments in their administrative work, and I should like to say a few words as to its origin, its effects and as to the methods by which it may be overcome, as illustrated by some humble experiences of my own in telephone work.

The operation of the telephone service and its staff suffer from a special and most virulent variety of this antagonism which is special to that service and is superimposed on the ordinary feeling against State-managed concerns. It exists in the United States, where the service is conducted by private enterprise, and is generally accepted as the best in the world ; and in Sweden also where there is a most excellent telephone service ; conducted, it is true, as a State undertaking, but in Sweden Government officials as a class are regarded with high respect. This special hostility towards telephone services is probably due to the divided responsibility for working between the public and the staff and, so long as the human nature of telephone users (and possibly of operators) remains what it is, is likely to continue. Whether the replacement of operators by automatic mechanism, which is now beginning on a considerable scale, will make much difference is an interesting problem.

It is, however, this intensified feeling of the public towards the telephone service, which makes it what scientific people call a "limiting case" and therefore especially worthy of study as an example of the public mistrust of Government departments, and gives value to the methods by which experience has shown that this mistrust may be reduced.

In dealing with Civil Service questions people are apt to think of the Civil Service as having always been what it is at present and to forget the long and slow process of evolution which it has undergone. But the ideas and feelings of the present always have their origin in the facts of the past, and to discover the real reason for the view of the man-in-the-street about Government departments we have to look at our ancient history.

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Most of you are probably readers of *Pepys's Diary*, and it is not the least merit of that great work that it illustrates very well the condition of the Civil Service in the seventeenth century. In many ways Pepys was one of the best and ablest civil servants of his day, and yet even he was open to considerations which would secure the dismissal of a present-day civil servant. The Government service was then full of men who owed their positions to jobbery of all kinds and even to the bribery of the mistresses of kings or of influential politicians. It was full of sinecurists, of pluralists, and of men who were so ignorant or so lazy that they were incapable of doing properly even the simplest duties. There seemed to be no private or public conception of the Civil Service as an efficient administrative body. It was accepted as a necessary evil.

It is true that to some extent the same conditions affected the other professions and business concerns. But in these the smaller and more definite field of each man's work and the very close connection between personal efficiency and business or professional success rapidly produced great changes in the standards of work. Unfortunately in the Civil Service evolution proceeded more slowly. Men could not get away from the idea that the Civil Service existed chiefly for the benefit of friends of the party in power, or of those who were rich enough or influential enough to buy their places. The same idea affected the Navy and Army also, and it is strange to observe how it continued throughout the eighteenth century and well on into the nineteenth. My own father, who entered the Civil Service in 1826, often told me that, even at that date, there were many men in the Government service drawing emoluments of two or three thousand pounds a year who could barely write their own names and whose work was done for them by substitutes, paid two or three pounds a week. At the time of the Crimean War the incompetence of the administrative staff of the War Office was a byword, and it was said to be due to the indiscriminate appointment of the friends of constituents even by those who were reckoned to be respectable Ministers of State. It was said also, I believe with truth, that less scrupulous ministers used to settle their bills by appointing relatives of importunate creditors. Similarly in the Navy personal influence governed appointments and promotions. You will remember how Smollett and Marryat described the way in which things were done at the Admiralty—though I suppose the stern facts of life at sea even in peace time must have weeded out many incompetents. In the Army the purchase of commissions and even of promotion in regimental rank continued till 1870. When I entered the Secretary's office in 1881, open competition had been in force for eight or nine years only. Although an awakened conscience in nominating authorities and a system of limited competition had produced many able men among my seniors, yet there still lingered representatives of the old system. Some of them gave us a good deal of amusement. One I

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remember who, as Clerk-in-Waiting during the Crimean War, had delayed the delivery to *The Times* of a letter from a correspondent at the front containing news which he thought the Government had not received. Grave complaint followed, and he was summoned to the presence of Sir Rowland Hill. "Why did you do it?" said Sir Rowland. "I used my discretion," said my friend. "Then never do it again," said Sir Rowland, and "I never have," my friend used to add.

Among the very last appointments filled by political patronage were those of sub-postmaster and rural postmen. When I became Private Secretary to the Postmaster-General in 1891, my duties included the sending of reports to the office of the Parliamentary Secretary of the Treasury—who was more generally known as the Patronage Secretary—of vacancies for sub-postmasters. Up to about 1860 head postmasterships were also filled in this way on the nomination of M.P.'s or other supporters of the party in power. Vacancies for rural postmen were reported by the Postmaster-General's Private Secretary direct to the favoured representative of the Party in each constituency. I did not like the work, and I lost no occasion of calling the attention of my first two chiefs to the difficulties and anomalies it created. Sir James Ferguson and Mr. Arnold Morley were both high-minded ministers, who took a serious view of their responsibilities and their representations to their Governments led to the abandonment of the old system and the substitution of the present system of appointment, after full inquiry by the Post Office surveyors into the official merits of the candidates.

Incidentally, I may say that we often received letters from M.P.'s or parliamentary candidates begging us not to consult them, because for every candidate they recommended they offended the friends of six others. I rather think this fact had some weight in Downing Street, and I have sometimes wondered how long, if it had been otherwise, the venerable system I have described would have remained a part of the British constitution.

I do not wish to suggest that the millennium began with open competition. Ministers in the seventeenth century and since have generally aimed at a certain public efficiency. Especially this was the case from the Revolution of 1688 onwards in the Whig Ministries. It was necessary for them to secure some men of ability to act as their assistants. There was probably never a time since then when there were not some distinguished civil servants, though they were much less known outside their departments than the civil servants of to-day. In the Victorian age there were many such within my own earliest recollections, men who owed their positions to patronage, but who were of liberal education, high breeding, wide intellectual outlook. Moreover, in the humbler classes, even the bad system of appointment produced some men of energy and intelligence, just as the most theoretically perfect system

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gives us some bad bargains. On the whole, however, the good exceptions could not counteract the prejudice created by the more numerous perverse and useless officials. Moreover, the system of government which they administered was often harsh and mischievous, and in all departments probably the number of useless duties was excessive.

It is, therefore, not to be wondered at that a strong tradition grew up and still exists as to the uselessness and incapacity of civil servants, and the whole body were put in the same class as the Tapers and Tadpoles of the Red Tape and Sealing Wax Office of which Dickens wrote. This belief that the civil servant and the business or professional man represent two distinct types of humanity is still strong in the public mind. You will remember how often it was expressed during the War in speeches and in the newspapers and found a ready acceptance by the public in spite of the splendid work done by professional civil servants in all the new departments and the fact that many of the blunders were committed by business men camouflaged as civil servants or as warriors. There was an excellent article, in the *Fortnightly Review*, written soon after the War, which illustrated this statement. It was Sir Robert Peel who said it took thirty years to get a political idea into the mind of the British public. I am afraid that it will take much longer to get rid of the deep-seated instinctive prejudice of which I am speaking. The public departments may go on producing in large numbers men of the type of Sir George Murray, Sir Henry Babington Smith, or Sir Matthew Nathan, if I may name only three ex-Secretaries of my own department of the Post Office who have achieved distinction in other walks of life, but the public will go on for a long time in the belief that the man whose duty it is to administer State services is of an inferior type to those who manage factories or import tea and sugar by the ton.

I do not, however, wish to suggest that even to-day all civil servants are admirable. It is more difficult to administer intelligently and sympathetically the general rules of a public service than to settle prudently some question of personal self-interest in business. It is very desirable that civil servants should receive a better training in administrative methods, and history, and in the rules and policy of their own departments than they do at present ; and it is in organizing studies of this kind that our Institute of Public Administration will have a specially important field of work.

Nor do I wish to suggest that at any time in my own experience either the Civil Service or the telephone department has been quite free from some irritating tendencies in dealing with the public. I remember that in old days there was a marked disinclination in some officials to personal interviews or discussions. In administering the general rules of a public service it is always easier, quicker and safer to adhere rigidly to the letter of rules than to seek a sympathetic interpretation, and it is much easier

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to give a cast-iron reply in writing than to face an irate member of the public with a strong sense of grievance and, possibly, armed with arguments to which it is not easy to reply. Moreover, civil servants formerly had often to act on rules rigidly laid down by higher officials or the Treasury. If one possessed any sympathetic imagination it was painful to have to give decisions which one knew to be wrong. I remember one class of cases with which I had to deal when I first took charge of the telephone branch in 1899. The telephone trunk lines in those days worked very variably. The Post Office had worked the trunk system for a short time only. Moreover, although the Post Office controlled the trunk lines, the local connections were made through the National Telephone Co.'s system, and, as was probably inevitable with divided responsibility in working, a good many mysterious interruptions and disconnections occurred. When complaints were made the accepted practice was to refuse rigidly to repay trunk fees unless some direct evidence could be obtained at the offices concerned of some recognized cause of failure. The result was that many well-founded complaints were rejected for want of official confirmatory evidence. It was considered, however, that this was the Treasury view of the limits of concession. The result undoubtedly was to antagonize users of the trunk lines and to create a feeling of hostility, due, not so much to the loss of the trunk fees, as to a sense of injustice. In dealing with these complaints, endless references had to be made from office to office, and we suffered badly from the burden of correspondence thus caused in our efforts to do justice to the public without failing in our public duty.

It was only after considerable experience of this kind that we came to the view that, although failure to give the service required was the only ground which justified the remission of charges, yet failure was, after all, a matter of evidence, and that the evidence of a respectable subscriber might reasonably be accepted without official confirmation. With some difficulty authority was obtained to act on this view, and the effect was most satisfactory. Users of the trunk lines felt that their complaints were reasonably treated. They became more friendly, and in many cases did not complain unless they thought the matter serious. The number of trunk call complaints actually decreased considerably, and our relations with the public were greatly improved.

This instance may seem to be a trifling one, but I mention it as showing how easily a too strict sense of public duty may stimulate hostility to the Civil Service.

During the period from 1901 to 1911 when the Post Office and the National Telephone Co. were in acute competition, although we had plenty of complaints, they seldom took the form of an unfavourable comparison between the Governmental and commercial services, but I do remember one case in which the displacement of the company's service

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by the Post Office led to a display of curious hostility on the part of some individuals. At an important commercial exchange, when the Post Office Silence Cabinets were first installed, some individuals used to cut and destroy their fittings. This extreme championing of private enterprise was only cured by a strict watch being kept on the cabinets and by a notice from the authorities of the exchange that the offenders if detected would be expelled.

Very soon after the transfer of the Telephone Co.'s system to the Post Office, however, the instinctive feelings of the business world asserted themselves in a much more reasonable form. The Association of Chambers of Commerce and other similar bodies asked for the formation of a committee of business men to deal with general complaints from all parts of the country against the telephone service. This proposal was very strongly urged upon Mr. Herbert Samuel in 1912 by a deputation from the Liverpool Cotton Exchange, and it was Mr. Samuels' desire to meet this view that led to the formation of the local Advisory Committees. Very little consideration showed that one Advisory Committee for the kingdom would have an impossible task. Telephone difficulties are numerous, and they are also local. No single group of business men could afford time to deal with the question likely to be raised, nor would they understand the local conditions. It was therefore decided to form a local committee in each important telephone centre. In order that it might be thoroughly representative it was also decided not to delegate the work to a single body in each centre, such as the Chamber of Commerce, but to ask the local authorities and all commercial interests in each place to nominate members of the committee. The result was, as many of you know, that strong and representative committees were formed. Every interest desired to be well represented, and sent an active delegate who took an interest in the work. It was one of my most pleasing duties in 1913 and 1914 to take part in the first meetings of nearly all these bodies. The usual course at each meeting was to explain the difficulties of the service, due, chiefly, to the shortage of exchange plant and underground lines, and to describe the plans which the Post Office had in view for getting over these difficulties by providing additional plant. The committees were invited to gather complaints from subscribers and the fullest investigation was promised to any they might send to the Post Office as apparently reasonable. They were also asked to visit exchanges and see the working of the service in every branch whenever they wished to do so. They were also promised that the district managers and engineers would always be ready to attend future meetings and to give all information required, and to take part in discussions. Periodical statements as to new plant provided, the number of complaints and the result of service observations were also furnished.

The feeling that existed strongly in provincial centres at the time of

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the transfer was that a Government department was a difficult body to tackle. Its local representatives, even if willing to listen to complaints, probably had no authority to deal with them satisfactorily. The only remedy available was by questions in Parliament, by correspondence with official headquarters in London, or by deputations to the Postmaster-General. These remedies seemed futile and troublesome. The formation of the committees, however, went a long way towards satisfying reasonable apprehension. The public were satisfied that the Post Office was doing its best to meet difficulties, and a guarantee was given that grievances would be reasonably met. It was surprising how the number of complaints decreased in spite of the inevitable badness of the service in many ways, and how free the Post Office was from attacks in the provinces when in London it was subject to the most violent attacks in newspapers and in many other quarters. Unfortunately, London could not at once be dealt with in the same way. It possessed 110 local authorities in the telephone area and the commercial and other public institutions were so numerous that a committee with representatives of all would have been unwieldy and unworkable. In 1914, however, the London Chamber of Commerce, in co-operation with the City Corporation, the L.C.C., the Port of London Authority and other bodies, did form a joint committee, with representatives of other interests, such as the banks, the railway companies, the Stock Exchange, the cable companies, and news agencies, but, unfortunately, the outbreak of war stopped the work of the committee, as it did also the work of the provincial committees. Since the War, the London committee has been revived, and during the last few years has done useful work in dealing with many complaints from telephone subscribers, and especially with regard to the introduction of the universal message rate and the Post Office system of accounting. Unfortunately, its proceedings do not attract much notice in the newspapers, and the subscribers reached are only a small proportion of the total number, so that its influence is more restricted than the influence of the provincial committees. Since my retirement, I have served on the London committee and can testify to the fact that its members are reasonable and fair-minded men with a great variety of experience. They appreciate the frankness of the Post Office in dealing with their representatives, but it is surprising how, even after several years' experience, their instinctive doubts as to the intelligence and reasonableness of civil servants tend to reassert themselves.

It is very difficult for the Post Office to get opportunities of fairly stating the facts of its telephone service and of defending itself against prejudiced and unreasonable attacks. It can, perhaps, not be expected that newspapers which receive no advertisements from a Government service should open their columns freely to such statements. On the other hand, the public greedily accept the most unreasonable

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adverse comments and these are therefore "good copy." Even when the love of fair play allows the publication of the other side of the story, the refutation is apt to appear in small type and in an out-of-the-way part of the newspaper. Even Blue Books, which have a deserved reputation for impartiality, are sometimes not very helpful. Shortly after the War the enormous increase in prices made it necessary to raise telephone rates considerably. A public outcry and attacks in some newspapers led to the appointment of a Select Committee. That committee carefully examined the facts and figures on which the increase of rates was based and reported that they appeared to be correct. A renewed agitation led to the appointment of another Select Committee to re-examine the subject. Much hostile evidence was given to show the Post Office incapacity for business methods and its harsh treatment of the public. The cases and incidents quoted were referred to the Post Office and it was proved to the committee that in all but a few minor cases the alleged facts were misstated or did not exist. To such an extent was this the case that, as I understand, the committee actually considered whether they should not deal specially with some of the flagrant misrepresentations made by witnesses hostile to the Post Office. Apparently, however, the fate of the report of the previous committee was an unfortunate precedent, and the second report appeared with a slight condemnation of the Post Office as a business institution, and the suggestion of a few changes in accounting methods, but without any reference to the proved soundness of the Post Office estimates of the cost of the service.

Another possible way of reaching the public in London remains to be considered. When I visited the United States a good many years ago to make a study of American telephones system, the responsible managers of the companies told me that they expended large sums every year in payments to newspapers for advertisements and notices. They did not seem then to attach much importance to the publicity thus gained. They considered the greatest advantage of the system to be security from attack. Newspapers in the United States never attacked important advertisers. For publicity the telephone companies relied chiefly on the work of their contract agents and on printed matter freely distributed. Since that time, however, the business of advertising publicity has been greatly developed in America. The companies advertise more largely and use this form of publicity for the advertisement of changes in the service and of all important developments. They also use it for the education of the public in the best methods of using the service, and in the advantages of its use as compared with other methods of communication. I remember that after the transfer, Mr. Gordon Selfridge, who began by being rather hostile to the Post Office service, but later became one of its most helpful friends, used often to show me whole and half-page advertisements of the telephone service in Chicago newspapers, and urged the

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advantage to the Post Office of adopting the same practice. That advice I believe to have been good and sound. It would have paid us to spend, say, £10,000 a year in this way. We should have got on better terms with the public by telling them lots of things about the telephone service which it is difficult to tell in other ways and possibly we might thus have escaped some of the savage newspaper attacks which followed the transfer. As it was, the traditions of the Civil Service were considered to forbid such a policy, and I could never get authority for any expenditure. The only help of this kind we ever received was that Mr. Selfridge arranged with his Mr. Callisthenes, whose writings used to form so prominent a feature in the evening newspapers, to devote several articles to refuting some fallacies and misrepresentations about the telephone service.

The main conclusion which I wish to press upon you is that the public estimation, and to some extent the welfare, of a public department must depend upon the successful adoption of the frankest publicity in all its work. The Post Office telephone service has in some ways adopted such a policy. Its offices and exchanges have always been open to the inspection of persons and bodies interested in their working. Explanations desired by the public and the press have always been given freely and without reserves. Information has circulated in broadcast leaflets and in directories—but, after all, only a limited amount of information can be forced upon the public in these ways.

I will now turn to the last method of conciliating the public to which I wish to refer. Probably some of you have read the first report of the Postmaster-General on the Post Office. It related, I think, to the year 1853-4. The Postmaster-General was the well-known Victorian Duke of Argyll. The writer of the report was Mr. Scudamore, who afterwards became so well known as the real founder of the Post Office telegraph system. The report contained some very interesting bits of Post Office history, and a series of amusing extracts from the account books and packet minutes of the eighteenth century, which you will find preserved in the Record Room at the G.P.O. That report had a tremendous success. For years afterwards its stories used to reappear in the newspapers whenever public interest was turned to the Post Office. Its success inspired the writers of later reports to similar efforts, and year by year we used to have pretty little stories about tom-tits and cock robins which built their nests in letter boxes and carried on their domestic arrangements undisturbed by the routine of postal business. The public liked these stories, and the paragraph writers in the papers were grateful. In this way the Post Office got a reputation as a human department. Later a sterner spirit prevailed, and the reports became mere arid wastes of statistics. It was my duty to prepare for my then chief the first draft of the reports from 1888 to 1891, and I remember to this day my

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distress at seeing my poor attempts at purple passages ruled out one by one.

Now the Post Office telephone service does not publish an annual report, but I do not see why it should not do so. Most of you have probably seen those splendid reports which the late Mr. Vail, as President of the American Telephone & Telegraph Co., used to issue annually to set before the American public the advantages of a telephone service, the magnitude of the efforts of the Bell Co.'s to serve the public efficiently, the enormous difficulties of construction and organization, the great amount of the expenditure involved and the collective and individual achievements of the staff. It was largely due to him that Americans have become so proud of their telephone service and regard it as perhaps the most typical of their national institutions, combining the advantages of a public service and of commercial enterprise. Those reports are still continued by his successor, Mr. Thayer, and year by year obtain a greater publicity and serve to increase the impression of the national character of the service which the telephone companies are rendering.

Though the telephone service has not an annual report, it does publish annually its commercial accounts, and it would not be difficult to combine with those accounts some general statement which would explain their full significance. I do not wish to disparage the accounts as they stand. It has taken a tremendous effort to get them into their present form, so that a close study of them year by year does furnish information as to the financial position and progress of the service. The Post Office Estimates and Appropriation Accounts used to fulfil the primary purpose of accounts only, i.e. to show how much money has been spent and how much money has been received, but the headings of expenditure were arbitrary and gave little real information as to how the cost of the service was incurred. The present accounts are much better. They do actually give the amount of each of the main items of expenditure, and they are complete. Sir William Peat said before a recent Parliamentary Committee, that he thought they were the best accounts published for Government departments. They give more information than the accounts of commercial companies as published in their annual reports, but even so, they make very little impression on the public mind. The newspapers ignore them. Even Members of Parliament do not read them, or, if they do, they do not seem to understand them. If they did I do not see how the last Select Committee on telephone rates could have made most of the financial recommendations contained in their report. The tendency of the Post Office, moreover, is to make them more general in form—to give less and less analysis—as, for instance, in the recent combination of the accounts of the local and trunk services, the combination of the London and provincial local service accounts having taken place previously. There was no doubt a strong argument for this change in the

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increasing difficulty of apportioning items of common expenditure, but the tendency is one to be avoided as much as possible if we want to make our accounts useful as guides in administration, as well as mere records of expenditure and receipts.

But business concerns, though they publish simple accounts, for fear of telling competitors too much of their affairs, do not keep their accounts in such simple forms. For administrative purposes, to show what expense is involved in different elements and conditions of their business, they have to keep elaborately analytical expense accounts and it is worth their while to do so. The most elaborate system of the kind with which I am acquainted is the standard accounting system of the Bell Telephone Companies of America, which has been adopted in great part as the legal form of accounts for telephone companies generally in the United States. Some system of this kind would serve the purpose of the Post Office admirably. I am of course aware that in the offices of the Secretary, the Engineer-in-Chief and the Accountant-General many costing and other statistics are regularly kept up, but they are not related to one another. They are special accounts kept without direct relation to the general accounting and costing system. They have neither the authority nor the utility which they would have as correlated parts of that system, and yet, I believe, that the sum total of effort expended in their preparation is as great as the work involved in the most complete and elaborate costing system adopted by any commercial company. Being the accounts of a Government department there is no reason why they should not be published in full explanatory detail. A Government monopoly has nothing to fear from competitors, and we see that elsewhere whenever public control is exercised over commercial companies the tendency is to make them publish more and more elaborate accounts—as, for instance, the accounts of railway companies—as a guarantee that they are fulfilling their public duty. Why then should not a Government department apply such a system to its full logical extent.

Accounts by themselves are dull reading, but the accounts could be made the text for annual reports on the working of the telephone service which would illustrate its aims, its methods and its results in most complete manner as report succeeded report. Even if the general public did not read them at first, writers in the press and Members of Parliament would do so and by their writings and comments could gradually educate the public mind as to the administrative aims and results of the telephone service. It is only by a scientific publicity of this kind as I believe that we shall ever get into as satisfactory relations with the public as exists to-day between the public and the telephone service in the United States.

## The Trade Commissioner and Commercial Diplomatic Services

By W. J. GLENNY

[*A Paper read before the Institute of Public Administration, 10th April, 1924*]

THE maintenance of specifically commercial services abroad is a modern feature of Government activities. It may be accepted as a broad generalization that up to the latter half of the nineteenth century the representation of States abroad was confined to definitely political or dynastic ends, the protection of subjects, and the like. Governments were, of course, concerned to secure fair treatment for their traders in foreign countries, but direct help in commercial penetration was exceptional. It was not regarded as a proper function of ambassadors, ministers, or consuls to afford direct assistance to their nationals seeking business locally, or to send home information as to trade openings, and interest in commercial subjects was generally limited to securing fair treatment and did not extend to positive encouragement.

An entire change of view has, however, since taken place, and practically every civilized Government now regards it as one of its duties to afford direct assistance and stimulation to its commerce abroad. The historical development of this change of mind has already been traced in the paper which Sir William Clark read on 30th November, 1922.<sup>1</sup> The change naturally led to modifications in existing services abroad, and it has also brought the creation of new services, which it is the object of the present paper to describe.

Of the new services which His Majesty's Government maintains abroad, we naturally turn first to the Trade Commissioner Service, which is the chief organ of commercial representation throughout the Empire, as distinguished from the services maintained in foreign countries. The history of the Trade Commissioner Service is bound up with that of the development of the constitutional relations of the different parts of the British Empire and successive Imperial Conferences have marked various stages in its evolution.

In the last ten years of the nineteenth century, manufacturers and merchants exporting from the United Kingdom to the Colonies, a term which then covered the great sister States of the Empire as well as the smaller possessions, began to feel increasingly the pressure of competition from countries like Germany and Belgium, whose industrial development, commenced at a much later date than that of this country, was proceeding at a very rapid rate. Merchants and Chambers of Commerce in this

<sup>1</sup> JOURNAL OF PUBLIC ADMINISTRATION, Vol. 1, No. 1.

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country claimed that foreign competitors could obtain from consuls in Australia, Canada and other parts of the Empire, information and assistance in their assiduous efforts towards commercial penetration, whilst no similar machinery was available for the traders of the mother country.

It has been remarked that it was one of the paradoxes of Empire development that a greater measure of official help was available to the foreigner seeking to develop trade with the British Empire than to the Britisher himself. This feeling was voiced in particular before a committee which the Board of Trade appointed in 1897 to consider general questions of commercial intelligence. That committee recorded the complaints which had been made of the increase of foreign competition in overseas markets within the Empire, the signs of further expansion and the view that these conditions were due to the presence in British possessions of consular officials of foreign powers who were, at the same time, commercial agents. The committee, however, thought that colonial feelings would be adverse to the appointment by the mother country in the self-governing parts of the Empire of officials whose duties would correspond to those of the consuls of foreign powers, and they compromised by suggesting that occasional reports should be obtained from residents in the various colonies on the general condition or special aspects of local trade, and by recommending that experts should periodically be sent out—subject to the sanction of the Secretary of State for the Colonies—to make enquiries and report on the progress and direction of trade.

Such special investigations were, in fact, actually made, and in 1903 Mr. (now Sir) Henry Birchenough was appointed to report on the conditions and prospects of British trade in South Africa. In 1905 similar enquiries were made in Australia and New Zealand, and in 1906 in Canada. In the meantime a Commercial Intelligence Branch of the Board of Trade had been established, and in March, 1901, the governments of the self-governing Dominions and the Crown Colonies were invited, by a circular letter from the Colonial Office, to assist this new department, not only by the prompt supply of commercial information, but also by the nomination, in each colony, of an officer charged with the duty of answering enquiries which might be addressed to him from the Commercial Intelligence Branch or from traders applying direct. The persons so designated were, naturally, Government officials with numerous other duties, and it soon became evident that this system needed to be supplemented by the employment of persons having a more direct inducement to perform additional duties. Accordingly certain further correspondents (secretaries of Chambers of Commerce and others) were appointed to act in return for an annual fee. When the Colonial Conference of 1907 met the position was, roughly, that from the Crown Colonies information was

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received from specially designated officers who received no remuneration for these additional services, and from the self-governing Dominions from correspondents who were paid an annual fee for their duties. This arrangement still appeared unsatisfactory, and the question of the official commercial representation of the mother country in the self-governing Dominions was raised at the Conference by Sir Joseph Ward, the Prime Minister of New Zealand. He pointed out the presence in all the colonies of consuls or vice-consuls of foreign powers, who were ready to help their governments and merchants by the supply and dissemination of information on all aspects of trade. On the other hand, there was no officer of Great Britain in any of the self-governing Dominions whose duty it was to render assistance to traders at home or visitors from the mother country seeking to develop trade relations in the Dominions. Mr. Asquith, who was then Chancellor of the Exchequer, agreed that it was a monstrous thing that in our own colonies, a foreign commercial traveller seeking business could find an official of his own nationality whose duty it was to give him all the information he needed, whilst no corresponding facilities were available to a Briton or a Colonial. Mr. Lloyd George, then President of the Board of Trade, was able to announce a few days later that steps were being taken to appoint such officers in self-governing Dominions. And in the following year, 1908, a service of four trade commissioners was established, one being appointed for Canada and Newfoundland and one each for Australia, New Zealand, and South Africa.

The officers chosen for these functions, which were then described as being similar to those of a Consul-General in a foreign country, were taken, not from the home Civil Service or the Consular Service, but from circles outside. Of vacancies which subsequently occurred two were, however, filled by home civil servants with special commercial knowledge.

At the Imperial Conference of 1911—the first conference to bear the title "Imperial" instead of "Colonial"—questions of the commercial intercourse of the various parts of the Empire assumed considerable prominence, and it was resolved to appoint a Royal Commission—subsequently known as the Dominions Royal Commission—to enquire into the natural resources, trade, and legislation of the self-governing Dominions. In the course of their investigations they visited each of the Dominions and examined the work of the trade commissioner offices established in 1908. The Commission expressed the view, in their final report issued in 1917, that the operations of the trade commissioners had been of considerable advantage to British trade and that, in view of the volume and importance of the trade between the United Kingdom and the Dominions overseas which it was the work of the trade commissioners to conserve and expand, the cost of the system represented a very low rate of insurance and was not commensurate with the importance of the growing interests involved.

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They therefore recommended an increase in the number of these posts and suggested the appointment of three junior trade commissioners in Canada, three in Australia, and two in South Africa, on the ground that the larger self-governing Dominions included within their wide geographical limits varied and distinct markets which could not be dealt with adequately by one officer. The Commission also recommended the appointment of trade commissioners in parts of the Empire other than the self-governing Dominions. The Imperial War Conference of 1917 endorsed those recommendations, and in 1918 and 1919 ten new trade commissioners were appointed.

The present position of the service may now be briefly described. There are in all thirteen trade commissioners stationed in the following countries—

					3 Trade Commissioners.
India . . . . .					3
Canada . . . . .				3	" "
Australia . . . . .				2	" "
New Zealand . . . . .				1	" "
South Africa . . . . .				2	" "
British West Indies . . . . .				1	" "
British East Africa . . . . .				1	" "

Of the thirteen officers now occupying these posts nine were taken directly from business and four from the Civil Service at home.

The present organization and conditions of the service are based with slight modifications on the careful and considered scheme drawn up by Sir Arthur Steel-Maitland in 1919 for the reform and development of the consular and commercial services; on this scheme, which was endorsed by the committee appointed with Lord Cave as chairman to consider Government machinery for dealing with trade, the whole of the present organization of official trade representation abroad may be said to rest.

Under present arrangements the Trade Commissioner Service is divided into three grades, corresponding generally to similar grades in the Consular or Commercial Diplomatic Services. Commissioners of the lowest grade receive a salary of from £600 to £800 per annum, the second grade £800 to £1,000 per annum, and the first grade £1,200 to £1,500 per annum; the senior trade commissioner in India receiving a salary of £1,700 per annum. The salaries of the first and second grades correspond to those of Consuls-General and Consuls respectively. In addition to salary, a local allowance, intended to compensate for increased cost of living abroad, and cost of living bonuses on a basis somewhat similar to that of the Civil Service at home, these officers receive a private rent allowance and a representation allowance. The object of the "rent" allowance is to enable these officers to occupy private houses in a part of the town which will secure for them a definite social position. It does not very much matter where civil servants at home live. Many of us hide in the suburbs at night, but officers occupying a representative

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position cannot thus retire into insignificance when their official duties are over. The same consideration led to the grant of a "representation" allowance varying from £100 to £400 a year, according to the rank of the officer; the object of this allowance is to enable him to meet expenses to which a private individual would not be put, e.g. in the way of entertainment and increased club subscriptions, etc., etc. Grants are also made towards the cost of outfit, and towards expenses when travelling in the public service or when returning home on leave, etc.

The duties of a trade commissioner are, of course, to help British trade within his area in every way in which he properly can. The various duties performed have thus been recently described by one of the senior commissioners. (The order in which they are stated is not necessarily the order of their relative importance.) *First*, dealing with definite enquiries addressed to him by British traders or Government departments and collecting concrete commercial information to send home. *Second*, watching local legislation in the interest of United Kingdom industry and dealing with matters in connection with tariffs, etc. Most of the work of the trade commissioner in this direction is carried out by semi-official negotiations with officers of local Government departments, though he may, in certain circumstances, be authorized to address official representations to the local Government. *Third*, work in connection with visits of the representatives of United Kingdom firms. Commercial travellers and principals of firms frequently go overseas in order to visit their agents or investigate the markets for themselves, and they rely on the trade commissioner for help of various kinds, both in the way of information and of introductions to local people. *Fourth*, travelling throughout his area in order to keep in touch with local industrial and commercial conditions. *Fifth*, propaganda on behalf of United Kingdom goods and United Kingdom interests. Work of this kind, of course, has to be carried out very discreetly and involves friendly relations with the local press and a good deal of tact in dealing with complaints which are made to the commissioner by local traders as to British trade methods. *Sixth*, the trade commissioner has to furnish an annual report, reviewing commercial, economic, and financial conditions in his district, especially from the point of view of British trade interests. *Finally*, from time to time he also pays an official visit to the United Kingdom for the purpose, firstly, of consulting Chambers of Commerce, etc., and affording information to commercial firms as to trade conditions in his district, and, secondly, of revising his knowledge of industrial conditions at home.

Each of the trade commissioners has a local office and office staff, and allowances usually varying from £1,000 to £1,500 a year are allocated to him for office expenses. He also receives an allowance to enable him to travel within his district. Several of the commissioners are assisted by established chief clerks; these posts are interchangeable with those of

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intelligence officers in the Department of Overseas Trade and are usually held by officers of that department who are detailed for service abroad for a period of three or four years. They receive, in addition to salary at the home rate, viz., £250 by £20's to £500, local allowances, usually about £300 or £400 per annum, which are inclusive of bonus.

It should be noted that trade commissioners are appointed by the Board of Trade and the service is administered in the name of that department, the actual work of supervision and control being performed in the Department of Overseas Trade, which is a joint department of the Board of Trade and the Foreign Office. The position of the trade commissioner in his own area is peculiar : he is not attached to the staff of the Governor-General or to any local Government department and has no constitutional position in his area, being a representative of a department of His Majesty's Government and not of the Government itself. Of the self-governing Dominions, only New Zealand gives the trade commissioner a definite place in the local order of precedence, though in practice a trade commissioner is usually treated as occupying a place superior but analogous to that of the consular representatives of foreign powers.

This independence of official position and the fact that the first trade commissioners were selected from non-official circles have led to very sympathetic relations with traders of all classes, to whom the service has undoubtedly rendered greater help than could have been expected from an organization with official traditions behind it. Even in the early years of the service, the commissioners were in several notable instances instrumental in securing important contracts for British manufacturers, and the general record of helpfulness has been consistently maintained. Tribute to the value of the service was paid at the Imperial Economic Conference of last autumn by several of the Governments represented.

Whilst the inauguration of the Trade Commissioner Service was due to the demand for assistance similar to that afforded in foreign countries by the diplomatic and consular services, there can be little doubt that its effectiveness caused a renewed demand from traders for more help from those services and the copy became a pattern for the original.

Before leaving the Trade Commissioner Service it should be mentioned that some of the self-governing Dominions have themselves appointed trade commissioners and agents in various parts of the Empire and in foreign countries. As early as 1892 the Canadian Government appointed trade correspondents in the West Indies, and in 1894 a commercial agent was appointed in Sydney whose whole time was devoted to the extension of Canadian trade with Australia. At the present time the Canadian Trade Commissioner Service is well developed and effective ; it consists of twenty-four commissioners and two commercial agents. As a result of a resolution passed by the Imperial War Conference of 1917 there is

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now a large measure of co-operation between the Governments of the Empire in making use of the Trade Commissioner Service of the United Kingdom and Canada. India makes full use of His Majesty's Trade Commissioners throughout the world. The New Zealand Government uses the commissioners in South Africa and Canada, whilst His Majesty's Government avails itself of the services of the Canadian commissioner in Jamaica. Again, until Canada appointed her own representatives in India, she employed the services of His Majesty's trade commissioner.

We have seen that the Trade Commissioner Service was created to meet the demand for the establishment in the self-governing Dominions of machinery for aiding British trade. The Commercial Diplomatic Service originated not in a demand for the formation of new machinery in foreign countries, but from the feeling that the existing machinery, viz., the Diplomatic and Consular Services required to be supplemented by the appointment of officers specially qualified to advise and report on commercial matters. A specifically commercial side of the Diplomatic Service was inaugurated in 1880 by the appointment of Sir Joseph Crowe as commercial attaché for Europe, with Paris as his headquarters. For several years he was the sole incumbent of this huge parish, and it was not until 1887 that a second commercial attaché was appointed, to reside at St. Petersburg. After another interval a third commercial attaché was appointed at Constantinople. Incidentally, it should be noted that these officers were all recruited from the Diplomatic and Consular Services and not from the business world. After Sir Joseph Crowe retired in 1896 his area was further sub-divided; the Commercial Attaché at Paris was attached to the Embassy in that city and also to the Legations at Brussels and the Hague, a separate commercial attaché being appointed at Berlin after a few months; the latter was also attached to the Legations at Copenhagen and Stockholm. At the same time the commercial attaché at St. Petersburg was transferred to Vienna, his area including Austria-Hungary, Russia, Italy, Greece, and the Balkans. In 1897 another commercial attaché was appointed for Spain and Portugal, and in 1899 the first commercial attaché outside Europe was appointed in China, this appointment being followed by the creation of a commercial attaché post in Japan in 1906. In the meantime three subordinate officers, designated commercial agents, were appointed to supplement the work of the commercial attachés; this experiment, however, was soon abandoned. In 1906 the commercial attaché system was reviewed by a committee consisting of Sir Eldon Gorst and Sir H. Llewellyn Smith. Their recommendations were, briefly, that the commercial attachés then residing in European capitals should have their headquarters in London and divide their time between special investigations abroad on the one hand and work in the Foreign Office and the Board of Trade, and visits

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to manufacturing districts in the United Kingdom on the other ; that the commercial attachés in more distant posts should continue at their stations but should move about more freely within their districts and pay official visits from time to time to the United Kingdom. The committee went on to recommend that the current commercial business of diplomatic missions should be entrusted to an especially selected member of the diplomatic staff at each post, who should receive an allowance for taking charge of commercial work. The recommendations of this committee were adopted, with slight modifications, and at the outbreak of war the Commercial Attaché Service consisted of eight members ; four with headquarters in London, one at Frankfort-on-Main, one at Constantinople, one at Peking, and one at Tokio. The conditions arising from the war, as well as the demand from the commercial community for further special representation in foreign countries, led to the appointment of commercial attachés in the Argentine and in Brazil in 1916. In June, 1917, a committee, on which business interests were represented, was appointed to consider at what posts in foreign countries commercial intelligence officers should be established and what financial provision would be required to pay them and their staffs. The committee recommended the creation of several additional posts, and the old Commercial Attaché Service was entirely re-constituted from the 1st April, 1918, eighteen posts being added to the ten then existing. The work of this committee was soon replaced by the wider scheme which Sir Arthur Steel Maitland submitted to the Government in February, 1919. This scheme was approved by the committee under the chairmanship of Lord Cave, which, as we have already mentioned, examined the whole question of Government machinery dealing with trade, and, with slight modifications, it is at present in operation. The arrangement whereby diplomatic secretaries at various posts were specially designated to undertake commercial duties has been abandoned generally. The old term of commercial attaché has been discarded in favour of the designation commercial counsellor in the highest grade, and commercial secretary in the junior grades, these officers being in all cases attached to one of His Majesty's missions in foreign countries. The salaries and allowances in the three commercial secretary grades are identical with those in the Trade Commissioner Service which have already been described, whilst the salaries of the commercial counsellors are fixed at £1,700 per annum in addition to the other allowances. The work of recruiting the Commercial Diplomatic Service was entrusted to a Selection Committee, which considered the applications of 280 candidates, of whom 240 were personally interviewed. This committee included, besides officers of the Civil Service Commission and other Government departments, representatives of the Association of Chambers of Commerce and Federation of British Industries. The field of recruitment was not confined to existing Government services. Of the forty-four officers

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appointed up to November, 1920, when the committee ceased its labours, five were commercial attachés under the old scheme, sixteen were formerly consular officers, one was a member of the Diplomatic Service, three were home civil servants, and nineteen professional or business men.

During the last three years the Commercial Diplomatic Service has undergone certain reductions in the interests of economy, and it now consists of thirty-four officers, namely, five commercial counsellors, thirteen commercial secretaries of the first grade, fourteen of the second grade, and two of the third grade. Twenty-three officers are stationed in Europe, one in Egypt, five in the Far East, two in North, and three in South America.

The duties of a commercial diplomatic officer fall under five main heads. First, he has to advise and assist the Embassy or Legation to which he is attached on questions of trade, industry, and finance and, in fact, he usually carries on the commercial work of the mission under the control of the Ambassador or Minister. Secondly, his commercial intelligence duties require him to maintain a supply of information on commercial matters for the Department of Overseas Trade and to answer enquiries from that Department and from British firms in regard to commercial matters of too general a character to be dealt with by the Consular Service. As a rule the commercial diplomatic officer deals with investigations affecting the country as a whole, whilst consuls attend to local enquiries. In the third place, the commercial secretary has to draw up annual reports on the commercial, economic, and financial conditions of the country in which he is stationed. He draws up a commercial report, which the head of the mission supplies annually to the Foreign Office with other material, and he also sends to the Department of Overseas Trade, for publication, an annual review of trade conditions. In the fourth place he supervises and correlates the commercial work of the consulates in his district, and finally, he has to visit the United Kingdom officially at intervals in order to discuss with traders questions in which they are interested, to meet Chambers of Commerce, etc., etc.

The position of the commercial counsellor or secretary as a member of the staff of the Ambassador or Minister presents some distinctive features. The commercial diplomat ranks with but after officers of the similar grade in the Diplomatic Service proper; he is definitely a member of the diplomatic corps in the capital where he is stationed and has his own place in the diplomatic hierarchy. On the other hand, he is treated, for purposes of administration, as being in the Consular and not in the Diplomatic Service. His salary, allowances, leave, etc., are governed by consular and not by diplomatic rules. He is *of*, rather than *in*, the Diplomatic Service. At the same time he enjoys a greater degree of independence

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than members of the diplomatic staff proper. He has his own subordinate staff, over whom he exercises complete control ; he is usually housed in offices of his own, sometimes at a little distance from the headquarters of the mission ; he receives instructions from home addressed specially to him—these, of course, being passed through the head of the mission ; he also signs despatches on certain matters. In brief, the general tendency is for the work of the mission abroad to be divided, under the Ambassador or Minister, into two distinct compartments. Firstly, the diplomatic work proper which is carried on by the diplomatic secretaries and the Chancery, and secondly, the commercial work, which is under the charge of the commercial diplomatic officer. His position, in some respects, approaches to that of the naval, military, or air attachés, although he is appointed by and is ultimately responsible to the Secretary of State for Foreign Affairs, who exercises his control through the Department of Overseas Trade. In passing we note the arrangements for the control at home of the three services maintained by His Majesty's Government in foreign countries. In the administration of the Diplomatic Service, the Foreign Office alone is concerned. The Commercial Diplomatic Service is administered by the Department of Overseas Trade under the direction of the Foreign Office and is borne on the vote of the Department of Overseas Trade. For the Consular Service the Foreign Office is responsible financially, and the Consular Department is housed at the Foreign Office and staffed by Foreign Office officials. On the other hand, the Director of the Foreign Division of the Department of Overseas Trade acts as head of the Consular Department, thus ensuring for the Department of Overseas Trade an effective voice in the administration of the Consular Service.

We have attempted to describe the development and present organization of the Trade Commissioner and Commercial Diplomatic Services. May we now consider briefly some special problems of interest to the student of the science, or art, of public administration which the services present ? Let us take first the question of interchange of officers between the overseas and the home services. It is more or less axiomatic that some exchange between officers at home and officers abroad is desirable. The man who is left too long at a post abroad tends to acquire a narrow and parochial outlook and to lose touch with conditions at home, whilst the officer at home who is dealing with the work of his colleagues abroad is likely to fail to appreciate their peculiar circumstances and difficulties, if he has himself not served abroad and does not expect to do so. The desirability of interchange between members of the Diplomatic Service and the staff of the Foreign Office was accepted by Select Committees of the House of Commons in 1861 and 1871, but it was only four years ago that interchangeability became a definite condition of these services. The higher staff of the Foreign Office is now graded as ministers, counsellors,

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and first secretaries, etc.; these ranks being identical with those in the missions abroad. The Steel-Maitland scheme, following the same line of thought, proposed to make the staff of the Department of Overseas Trade interchangeable with the Consular Service but administrative difficulties stood in the way of giving effect to this proposal, and there is at the present moment no regular system of interchanging consular officers with members of the home departments. It is, however, interesting to note in this connection that it has recently been arranged that officers of the Department of Overseas Trade shall be recruited from the same examination and on the same terms as members of the Consular Service. Moreover, individual members of the Consular Service have from time to time been seconded for extended periods of work in the Foreign Office and Department of Overseas Trade. Coming now to the Trade Commissioner and Commercial Diplomatic Services, with which we are specially concerned to-day, it is to be observed that the desideratum that officers abroad should be kept in touch with conditions at home is met, to some degree at least, by the arrangement that these officers are periodically brought home for terms of usually three to six months to work in the Department of Overseas Trade, interview traders, and visit Chambers of Commerce. Occasionally, also, these officers may occupy definite positions in the department; it has, for example, just been arranged that the Commercial Counsellor in Japan, who was appointed a commercial attaché as long ago as 1906, shall fill the position of Director of the Foreign Division of Department of Overseas Trade for twelve months. On the other side, an agreement was reached by the Whitley Council of the department last year that officers of the Department of Overseas Trade are to be considered as candidates for vacancies in the Trade Commissioner and Commercial Diplomatic Services which are not filled by promotions within those services.

The recent expansion of the Commercial Diplomatic Services raises also the important question of the place of the expert in Government service. In many cases the commercial secretaries were appointed for their special knowledge, not only of commerce generally, but of commerce in the particular country to which they were assigned. They were experts in the strict sense of the word. In other cases where the commercial secretary was appointed rather for his general knowledge of trade and economics than for his special knowledge of conditions in a particular country, the fact that he is less frequently moved than members of the Diplomatic Service and, in consequence, acquires a more intimate knowledge of local personalities and conditions than other members of the mission, tends to make him also a local expert. We have thus, in foreign countries, a peculiarly expert service of commercial diplomatic officers working along side the general Diplomatic Service. The result in the Diplomatic Service of the establishment of a specialized

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commercial service was thus described in the report of Sir Eldon Gorst and Sir H. Llewellyn Smith, to which we have already referred—

"The appointment of special officials to deal with commercial questions deprives the staff of the diplomatic missions to which they are attached of much valuable experience and training in this branch of their work, and, in a general way, conveys the impression to the younger members of the Diplomatic Service that subjects connected with trade are too technical for their comprehension and altogether beyond their scope. The secretaries are not, therefore, in the earlier stages of their career, properly grounded in the details of commercial work, though this work must necessarily become one of their chief preoccupations when they rise to the charge of a mission."

This difficulty still remains. It has, in fact, been accentuated by the development of the Commercial Diplomatic Service. Commercial secretaries are now attached to all the more important missions abroad, and as the commercial secretary becomes more and more of an expert it becomes more and more difficult for the head of the mission to avoid devolving the bulk of commercial work on him, to the exclusion of the diplomatic staff proper, who thus, except during the absence of the head of the mission, or when attached to posts where there is no commercial diplomat, have little opportunity of dealing with the economic problems which may confront them when, in due course, they rise to the rank of minister. At a few posts, however, where there is no commercial secretary, the old system of assigning specifically commercial work to one of the diplomatic secretaries is being tried again, but at the present time this arrangement, which obtains at Berne, Sofia, and Tehran, merely touches the fringe of the problem. On the other hand there is no doubt whatever that the present system, i.e. the divorce between the commercial and diplomatic sides of missions, has worked well during the few years succeeding the war. The commercial public has received from commercial secretariats, where they exist, just the special help it required, and has welcomed the new service. But in future, when the mass of purely nationalistic and political questions which represent the heaped-up debris of the great conflict of 1914-18 has been cleared away and economic differences between countries eclipse more and more purely political questions, the need for a closer association of the Diplomatic Service with commercial matters is likely to become more and more evident, and the present system may need review. The problem is one which not merely interests the student but vitally concerns the trader who desires to see the commercial interests of this country represented in the most effective way in foreign countries.

## Town Planning

BY I. G. GIBBON, C.B.E.

[*A Lecture arranged by the Institute of Public Administration in co-operation with the London School of Economics and Political Science, 17th January, 1924.*]

### THE £ S. D. OF TOWN PLANNING

I PROPOSE to deal, and that but briefly, with two only of the crowd of questions concerning town planning. In the first place, the £ s. d. of town planning. To-day at all events, when economy is upon a pedestal and sacrifices have, rightly, to be made on its altars, not least by those in the service of the Government, bread and profit must come first. Proposals are not likely to receive much practical attention unless they come with the hall-mark that they pay commercially. This point has particular bearing, and benefit, for town planning because, contrary to the old notion in this country, the gains of town planning are highest for business ; and, in my opinion, its immediate future depends especially on the degree to which men of business take hold of it.

We are told, and sometimes somewhat contemptuously told, that the man of business can look after himself, that he can be trusted for the good of his own pocket to place his factory or workshop where production can best be effected and transport facilities are most convenient. Whatever truth there may be in this contention for the very largest businesses, and it is by no means wholly true even for them, it certainly ignores the manifest facts for businesses of moderate size, the businesses on which the prosperity of this country so largely depends.

The issue is not one of intelligence, but of opportunity. It is as true of businesses as of individuals that they do not live to themselves alone. The advantages which any business concern may obtain for economical production depend not solely upon itself but upon the grouping of industries. Not only individual foresight but also group foresight is required. In this way alone can it be assured that, for instance, an ordinary factory or workshop or warehouse will be provided with those facilities of rail, water, and road so essential for that cheap transit which may make all the difference between prosperity and troubled survival. Even more than group facilities are required. Business men may find, as already in many a town, that the land which is eminently adapted for industries has already been appropriated for housing or other contrary purposes, and may thus be available only at prohibitive cost. The elementary precautions which are in consequence needed to provide

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against the wasteful use of land can, in practice, be assured only by communal regulation.

I do not intend to suggest that local authorities should embark on the development of industrial estates, or even that the development of such estates is possible only through the reservation of land by local authorities. We have the signal instance of the development by private enterprise of the Trafford Park Estate, which has ministered so markedly to the prosperity of the Manchester district, and there are other instances. This country needs a network of Trafford Parks set in favourable districts, with all the improvements won from the experience of similar ventures, so that every facility may be given for economical production.

This result, however, is not likely to be achieved unless local authorities definitely reserve the appropriate land for industrial uses; but it will probably be preferable that the development of each industrial estate should be undertaken by private enterprise. It should not be too much to hope for the formation of public utility companies of manufacturers and other men of business to develop estates of this kind for their common profit—and to the great benefit of the community.

International competition is likely to grow more intense; we can expect to hold our place only if all possible measures are taken to reduce waste and to promote economy of production; and if we neglect those advantages which come from the proper grouping and placing of industries, we may have to pay heavily for the fault. Moreover, each town which neglects to develop these facilities gives hostages to fortune, and may see its industries gradually attracted to other towns with more modern foresight—as, indeed, has already happened.

I may mention, as an interesting indication of the trend of affairs, that only just a few days ago a very interesting article in one of the Westphalian newspapers was brought to my notice emphasizing the importance of this very point for the reconstruction of German life.

This question of the proper placing and development of industrial and business estates is crucial for our traffic troubles. A solution of these difficulties will certainly not come solely from increased traffic facilities, great as may be the gain from them. The need for transport must be reduced; and this will be one of the benefits of the proper placing and grouping of industries. It would be about as sensible to expect a remedy for the grave traffic ills of great cities by merely providing traffic facilities as to cure illegitimacy by establishing foundling hospitals.

It may well be, also, that much of the heavy lorry traffic which at present passes over our congested streets represents a sheer and grievous waste to the community, and that it pays commercially at present only because transit by railway is rendered too expensive by the additional loading and unloading necessitated by the want of siding facilities right into the works. If continuous railway communication were more often

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available between place of manufacture and place of disposal, between docks and works, between factory and warehouse, railways might be used to far better purpose, congestion would be relieved and the burdens of the community reduced.

Likewise with the congestion of passenger traffic which troubles so many of our towns. Experience has shown time and again that the pressure is not permanently removed by the mere increase and improvement of traffic facilities. Lasting relief lies only in reducing the traffic—which, in turn, depends upon the convenient location of industries and residences. This is quite apart from the very much bigger question, that our civilization must be bankrupt indeed if it can devise no better system than that a man must spend one, two, or even three hours a day in simply going to and from his work, and that sometimes under conditions of fatigue exceeding those of the work itself—a situation fitted only for Alice in Wonderland.

I said previously that the proper zoning of industries, their right location, is necessary for at least concerns of moderate size. But the truth is that there are very few, even of the largest concerns, which can afford to ignore it. This fact is illustrated by what is happening in the United States. There, businesses generally run larger than in this country, but the necessity for zoning is becoming universally recognized. Nearly 200 of the cities and towns of the States have been, or are being, zoned; and these cities and towns contain no less than 40 per cent of the urban population of the country.

If these measures are considered necessary in the States—and the principal movers have been the business interests—where opportunity for individual profit is much greater than here and where the scent for the dollar is certainly not less keen, how much more must be the necessity for us who have to work on much narrower margins and, having less of the unbought bounty of nature at our disposal, have to depend far more on brains and organization.

### BUILT-UP AREAS

The second subject with which I propose to deal is that of the planning of built-up areas, with particular reference to London. At present, local authorities have general power in this country to town-plan only areas as yet undeveloped. There is one exception, amusingly typical of British makeshift, but makeshift always with practical intent. Town planning looks essentially to the future; but, with our knack of putting the cart before the horse, we have provided that the only cases in which plans may be made, other than incidentally, for built-up areas is where this is necessary to preserve existing buildings of special merit—which indicates a commendable loyalty to the past but some lack of faith in the

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future. It is only a matter of time, however, when we shall proceed to the common-sense step of planning for built-up areas ; but Parliament is not likely to give that power until there is a real demand for it, and fruition depends on the educative zeal of those who value and understand town planning.

But, whatever may be said as to whether the time is or is not ripe for any general power to town plan existing built-up areas, no one who has studied the prevailing conditions can deny that the time is more than ripe for taking the initial steps towards a plan for the redevelopment of London.

To avoid misunderstanding, and I may have already startled some persons, let me remove some misconceptions. I do not mean that we should forthwith take up our hammers and destroy London or any part of it, pressing though the temptation may be. I do not mean that we should necessarily carry out a single improvement at once—even improvements which might pay handsomely in profit if carried out with spirit and enterprise but might call for a larger expenditure of capital than at the moment can be afforded. All I mean is that we should without delay set mind and energy to settling a plan of London to which improvements could be carried out as and when required, and that we should cease being content with the inevitable waste which cannot be avoided even with the best skill of administration and technique where changes are made without regard to the needs of the metropolis as a whole.

Great changes are being effected year by year—slums cleared ; new roads made or existing roads widened ; new buildings, luxurious and mean, business and residential, erected in their hundreds ; existing buildings converted from residences to offices, or other changes effected ; new bridges being projected or sometimes even built, amid contention that clangs from St. Paul's to Charing Cross and troubles even the archiepiscopal confines of Lambeth. How is it in any way possible to make certain that full value is being obtained for the great expenditure, and that these changes are being carried out to the greatest benefit of the metropolis and its inhabitants, unless there has been an intelligent and full consideration of the needs of London as a whole and assurance that each alteration fits in reasonable measure into a general plan ? As reasonable, as an American cartoonist has portrayed it, to build a house room by room with no general plan, so that a bedroom comes on the ground floor, kitchen on the next, and garage just under the roof.

### SOME LONDON PROBLEMS

At intervals London has a fit of hysteria, not without reason, over some of her gigantic problems.

At present we are much disturbed about the traffic problem. This is

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nothing new. Reading recently a book published nearly forty years ago on some of the problems of London, I came across these statements—

" . . . the increase of the traffic of London is so startling that the corresponding increase of thoroughfare *must*, sooner or later, be provided. The streets of the City, the Strand, and of the West End, by the enormous increase of omnibuses alone, are congested to the full . . . 384,000 pedestrians and 75,000 vehicles pass over the metropolitan bridges daily, the number of pedestrians increases at the rate of 4½ per cent per annum, whilst the vehicles increase at the rate of 13 per cent. The traffic on the Metropolitan, the Metropolitan District, and the North London railways together increased between 1871 and 1881 from 79,000,000 to 136,000,000 per annum, or to 373,000 passengers per day.<sup>1</sup>

" About nineteen years ago (viz. in March, 1866), Colonel Haywood, C.E., the engineer to the Commissioners of Sewers for the City of London, submitted to that body a report entitled 'Traffic and Improvements in the Public Ways of the City of London.' . . . The following are extracted therefrom—

" 'The metropolitan population is now about 3,000,000, and in forty years will, in all probability, be 6,000,000. . . .

" 'Within the City itself there is hardly a leading thoroughfare which is equal to the traffic that passes through it, and many subsidiary streets are inconveniently crowded with their own traffic. . . .

" 'General improvement is needed in many of the City thoroughfares, plans of such streets should be prepared with lines of improvement shown, and to these lines all premises should be set back when opportunities present themselves.

" 'Looking to the future as well as to the present necessities and having regard to the fact that the cost of present improvements will probably be in a degree cast upon a future generation, they should be planned and carried out upon the broadest and most comprehensive scale, and no obstacle should be allowed to interfere with this principle, such a course is true economy.

" 'More stringent police regulations with regard to the traffic are needful.'<sup>2</sup>

The figures of these past years appear small to us to-day. But the alarm at the growing congestion was as acute then as it is now.<sup>3</sup> Since that date almost miracles have been effected in increasing traffic facilities. Millions of pounds have been spent in road improvements. The remarkable services on the Underground and other railways and the splendid fleets of motor buses and tramcars have added many fold to the carrying capacity. And yet congestion still remains as bad as ever and continues to grow—and will grow for, as already stated, the universal experience is that traffic demands quickly catch up with increased facilities. Traffic is the modern hydra.

Another ancient problem which is now again raising its tortured head is that of the congestion in the dock district. The continued prosperity

<sup>1</sup> Essays on the "Street Re-alignment, Reconstruction and Sanitation of Central London and on the Re-housing of the Poorer Classes"; Westgarth Prize Essays, 1886. Essay by William Woodward p. 124.

<sup>2</sup> *id.* Essay by W. H. Bridgman, p. 160.

<sup>3</sup> Traffic difficulties appear always to have competed with the weather for complaints. So far back as 1315, and many times afterwards, there was, for instance, complaint of the state of the road between Westminster and Temple Bar; the complaint then was that the road was hurtful to man and beast and beset with bushes and thickets!

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of London depends largely on her docks, to an extent but dimly realized, if at all, by most Londoners outside the eastern parts. Already before the War London was feeling keenly the competition of Continental ports, Rotterdam, Antwerp, and Hamburg in particular. More recent in their modern development, less cumbered by spent utilities of the past, they could provide more readily the latest facilities of transit. The War has not rendered the competition less keen. On the contrary, its effect will be to intensify it ; the War was a terrible solvent of tradition and custom, and changes of a generation are being effected in a few years. How long can London afford not to modernize her general equipment ? Excellent dock facilities and management may struggle vainly against the fetters of antiquated communications. London is admirably placed for trade ; she has traditions and prestige which carry her far ; but the momentum of past magnificence will protect her trade as little as did the glory of Rome stay the invader if she fails to equip herself with means essential for modern needs.

I have already mentioned the contention of the bridges. The Charing Cross Bridge is ever with us. Curses in plenty have been hurled at it, now as an eyesore, now as an obstacle to ready traffic ; but *Punch's* spirit of ugliness still gloats over its survival—and may with justice continue to gloat if the problem is approached in the spirit of narrow outlook which has regard only to beautification and monumental grandeur (an object always open to suspicion, not, as experience shows, without some justification) or only to an improvement useful for the public needs of that particular district but without proper correlation with the needs of London as a whole. London does not deserve its Charing Cross improvement, I almost hope, for simple prudence, will not get it, until the change is set down convincingly as part of a general re-development of London as a whole.

The same considerations apply to the projected St. Paul's Bridge, resurrected at intervals. These and many other schemes, the location of the University of London among them, will continue to be hotly debated without common ground so long as each is envisaged as an isolated problem. It is like arguing without any agreement of principles ; the prohibitionist and the lover of wine may kindle heat but never light. What is needed is first a settlement of some agreed plan along which London is to be renewed, the main outlines of her redevelopment. It is only when such a plan has been evolved that we can hope for a sensible considered decision of these many problems which press upon us from day to day.

I will mention very briefly but two other problems. London is now spreading her tentacles to new territory. Already the Tube has spread to the open fields of Hendon and Edgware, and soon these will be covered with dwellings to house some of London's millions. Next will come the

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fields down Morden and Sutton way, to provide sleeping quarters for thousands more.

What are we doing? Incidentally, we are providing facilities for adding still more to the scrimmage for place and passage in the central parts of the congested area; we are piling up the agony of our traffic troubles. We are exactly like undisciplined children who, with unlimited sweets to their hands and parents away, gobble them without stint, reckless of the coming reckoning. Our forefathers at various times have tried to stop the growth of this metropolitan octopus, when it was almost but an infant compared with its present spread; and we smile at their futility. But their ghosts must laugh hilariously, if ghosts are so human, when they see their descendants actually providing facilities to add to their own troubles. One could almost wish at times that London should not be presented with a single traffic improvement until she has faced her problem as a whole—a desperate remedy of despair.

Another problem, the last to which I shall refer—the westward trend of offices. Among the best of residential quarters, with the best of buildings, are being converted to accommodate businesses. This may be inevitable, may be of general benefit to the community. On the other hand, it may be the wasteful destruction of property which it would be better for the common good to keep for residential uses. It may be either; we none of us know; that is one of the tragedies of our civic life. It has been nobody's business to weigh the general gains or losses, and the individual interest of the moment has been left to work its will, with as little forethought as the instincts of ants or beetles.

This is not a question of private as against public interest; it is a problem of short against long interests—as individualistic New York showed when, for the profit of general trade and stability, she finally put a stop to the spoiling of her best business quarters by the profitless incursion of wholesale clothing factories.

### THE EXAMPLE OF NEW YORK

I have already referred to the active measures of town planning taken in the United States to meet the kind of problems which are troubling London. In many ways their difficulties are greater than ours. The number of their motor vehicles is five times as large as ours in proportion to their population. Their difficulties are also much aggravated, as they are now bitterly learning, by their craze for mountainous buildings. In addition, changes of use and reconstruction occur far more rapidly there than with us.

For those and other reasons, New York is confronted with a graver problem even than London—which perhaps is the reason why she has been so much more forward in attacking it. New York has not been

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content with piecemeal improvements. She has grappled with the problem as a whole. The initiative was taken, not by idealists, but by hard-headed men of business who saw that effective remedies had to be adopted. After a great deal of voluntary preliminary work, the public authorities were induced to pass a zoning law, which was drawn up after frank consultation with affected interests. Before this law could come into effect, the zoning proposals had to be submitted to a referendum of the electors, and, thanks to the active and instructive propaganda which had been waged, was adopted. It is significant that business interests, on the day of the poll, put full page advertisements in the Press at their own expense urging electors to vote for the proposals.

The zoning laws divided the whole of New York into a number of districts and set out for each district : (1) the purposes for which buildings in the district could be used ; (2) the height to which buildings could be erected, and (3) the proportion of the land which buildings could cover. For us in this country the most instructive provisions are those which regulate the use of buildings. The law did not require any change of existing conditions. If, for instance, a building was at the time being used for a purpose contrary to that laid down for the particular district, it could still be so used. But if and when a new building is erected, or alterations made tantamount to a new building, then the use must conform with the requirements of the law. Provisions were included enabling the regulations to be adapted to changing conditions. The law came into force in 1916. There has thus been time enough for more than a preliminary test of its effectiveness. It appears to have borne excellent fruit.

But they have not been content in New York with this achievement ; much more ambitious measures are afoot, with good reason. A comprehensive survey is now being undertaken of the conditions in New York and the surrounding district, with a total area of fifty square miles, and a plan is to be prepared to guide future development and re-development within the area. Qualified experts are being employed, but they act under the control of a committee of business men.

All this work is being done at present on a voluntary basis, the money being found by the Russell Sage Foundation, a wealthy philanthropic corporation, which has placed at the disposal of the committee the splendid sum of one hundred thousand dollars a year for five years. As an instance of what may be achieved, I am informed that recently some of the experts working on the scheme had a conference with representatives of the clothing trade, and that the latter stated that, if they had known in previous years of the facts then put before them, large sums of money could have been saved to the trade. Chicago also is now following the example of New York.

This investigation in New York should prove most instructive to those concerned with the development of London. But the question arises,

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can we afford simply to look on and await results ? It is probable that, as a result of the work which is now being done, large improvements on systematic lines will ultimately be effected in New York. London is bound to suffer if she sits still, content with her ancient prestige and hampered with a heritage of encumbrances. A noble emulation should be sufficient of itself to stir us not to be outdone by New York. When to this is added the urge of self-preservation, it should not be long before London too buckles on her armour and with wise foresight proceeds to provide herself with modern equipment for friendly and worthy rivalry.

How is it to be done ? One would like to see the appropriate public authorities taking up the task with vigour, but that is perhaps expecting too much in the present lethargic state of public opinion. On the whole, we cannot for the moment do better than follow the example of New York, not because it has been taken there but because it best promises progress.

Although amenities and aesthetics enter into the problem and must have their definite place, but as an integral part of the plan, not as something superimposed on it, the matter is above all a business proposition, and should be attacked primarily from that side. As I intimated earlier, we are not going to reach very far unless the big business interests take a vigorous part in the work. What is needed is a General Committee representative of all interests, business and other, and under it a small, strong Executive Committee with the duty of having the necessary work done, proposals being reported to the General Committee for their approval.

It would be necessary to employ a number of experts, under the directive hand of the Business Committee ; and, a matter of first importance, any scheme, even of a tentative nature, should be put forward only after the frankest consultation with all affected interests.

Money would be needed for the work, though not a very large sum, really a trivial amount compared with the prospective savings. There are the men to provide it ? I am sure that the difficulty lies not in drawing the money out of reluctant pockets, but in convincing just a few big men of business of the vital importance of the work for the industrial and commercial well-being of London. If only that were achieved, the money would be obtained without much trouble.

That the work will sooner or later be done is certain ; the need arises so manifestly out of prevailing necessities. The issue is whether it is to be sooner instead of later ; whether we will let time and circumstance pass, with all the many changes in their train, making the task ever more difficult, and will permit the profligate waste to continue, or whether we will grapple with the problem now. The duty rests upon all those who realize its vital urgency to the well-being of London, incessantly to press it home so that the desired end may be speedily won and the ensuing benefits wisely secured.

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## *The Use and Abuse of Law and Lawyers*

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# The Use and Abuse of Law and Lawyers in Administration

BY SIR ALEXANDER W. LAWRENCE

THERE used to be a story in the Home Office of a cantankerous infirmary patient who was ordered some pills by the doctor. The pill-box bore the familiar directions, "One pill to be taken three times a day." The patient sent a message to say that it was impossible, for how could a pill be taken again when he had already swallowed it once? The doctor could find no formula that the patient would accept, and so he referred to the Home Office; when all the officers of that Department had tried in vain, they passed it on to the Board of Education who were equally baffled; at last their legal advisers were called in and they produced a form of directions which did accurately convey the doctor's instructions, but it had two serious faults, for in the first place it had to be read several times before a layman could understand it, and in the second it was much longer than could be written on any pill-box. This illustrates the use and abuse of the lawyer; to employ him to draft all a doctor's directions to his patient would be an abuse but where the fulfilment of directions or agreements has to be enforced against someone who desires to evade it the lawyer or his equivalent becomes not only useful but needful. Hence arises the cumbersome phraseology of income tax returns and of official notices generally.

In the ordinary intercourse of life, and even in the ordinary intercourse of business, people wish to understand each other; in Mincing Lane cargoes are bought and sold by a nod of the head or a short memorandum which leaves many terms unsaid but implied; a stranger might find it hard to interpret it, but when it is used among men who ply the same trade together day after day the customs of the trade can be invoked to show what was really meant, and moreover, each party has a business reputation at stake. But in many business transactions, and in all attempts to enforce laws and regulations upon the public, it is necessary to express what is needed in terms which, under the microscope of skilled and hostile criticism, will prove to have one meaning and no other, for despite all appearance to the contrary a large part of the lawyer's time is spent in trying to frame sentences with only one meaning.

The ease with which simple remarks can be wilfully misunderstood provides a perennial source of laughter in the back-chat talk of the music hall artist, and anyone who likes to pursue the problem may spend a profitable and even amusing hour in trying to construct a single sentence

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which a resourceful opponent cannot construe in more than one sense, at all events if the opponent have a little acquaintance with law or with logic.

In a sense all business and official documents are legal documents, for sooner or later a judge or jury may have to decide their meaning, and in the framing of such documents two factors are apt to escape the notice of a layman ; the first of these is that by the time when the dispute arises the position may have been altered by events which neither party foresaw or in any way contemplated, and the second is that certain forms of words have already received from the judges interpretations which are well known or easily ascertained by lawyers but which no layman could evolve out of his inner consciousness. For instance, an intelligent and educated man reading for the first time a mortgage or a charter party in common form would form an entirely wrong impression of the effect of the mortgage, and would think the charter party an absurd farrago of meaningless jargon, and yet those two forms of document have been so often fought out in the courts that every word has been given a definite meaning, and to depart from the established form is to invite obscurity and therefore litigation. To frame a legal document without this knowledge is like trying to describe a modern battle without knowing the special meaning which soldiers give to ordinary words like "a division" or "a company."

On the other hand if every official document and every official communication were to be clad in the bullet-proof armour of legal phraseology, the machinery of administration would be so much clogged that the remedy would be worse than the disease.

How, then, shall lawyers best be used in administration ? What shall be the limits of their functions ? By what machinery shall their aid be invoked ? How shall they be recruited and, since lawyers themselves are not all of one kind, what kind of lawyer shall be used for what kind of purpose ?

Upon the answers to these questions depends the harmony and efficiency of the machinery of administration far more than is usually supposed, and in order to answer them it is necessary to consider the different breeds of lawyer, the different trainings that they receive, and the different qualities that they develop.

All the functions of lawyers fall into three great groups, those of the judge, those of the advocate, and those of the adviser ; for these three functions different qualities are needed, and through the struggle for existence and adaptation to environment they produce different types of men ; a good adviser may be a bad advocate and a good advocate may be a bad judge. Moreover, even inside these main groups there is a great deal of specialization. For one man to undertake all kinds of legal work would be as reasonable as if one should try to be at the same

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time an operating surgeon, a dentist, a bacteriologist, and a general practitioner.

In England this specialization has been carried further than in any other country, and on the whole it works well. But there is one sphere in which it has not been applied so much as in continental countries. There the career of a judge is a separate profession, adopted early in life, and the highest posts are filled from among those who have been trained and tested in minor judicial offices. With us, on the contrary, to the astonishment of foreign observers, our principal judges are selected from among successful advocates, while on the other hand many judicial functions are performed by laymen.

No small part of administration is the administration of justice, in its wider sense, for apart from the trying of lawsuits proper, many disputed matters have to be determined by the decision of some public department or public authority exercising a judicial discretion after hearing all interested parties. Thus it comes about that in this country judicial functions are largely performed by people who are not lawyers.

The judges of the High Court are appointed by the Lord Chancellor from among the men who have the largest practice at the Bar, and this system works well because the personal integrity of the Bar stands high, the posts are permanent and dignified and well enough paid to attract the successful barrister ; the judges are, as a rule, better men than those who practise before them, and having themselves a wide experience of conducting cases, they are better qualified to see through the wiles of the advocate than if, like the judges in continental countries, they had only seen the outside of lawsuits from the bench ; in fact they know the tricks of the trade better than those who have never been behind the scenes. Our system here stands midway between the continental practice of having a specialized profession for judges and the American system whereby in many cases the judges are appointed by popular election for a short term of years at a comparatively low salary and afterwards return to practice at the Bar or to a business career.

The minor professional judges, police magistrates, recorders, and county court judges—are also recruited in the same way but at salaries which, though high by continental standards, are not high enough to secure the best brains from the Bar and it may be doubted whether these posts might not in some cases be better filled by solicitors who in fact conduct most of the cases in those courts without employing a barrister and who have more experience of county court methods and witnesses than some of the barristers who are from time to time appointed. In England, however, tradition lives long, and solicitors were once a less competent class than they are nowadays.

Besides these salaried posts there is a much greater number of unpaid magistrates, mayors, aldermen, and justices of the peace, who are nearly

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all laymen and who depend upon their clerk, a practising solicitor, to keep them right on matters of law. There the results are not so uniformly successful, but on the whole these tribunals are adequate for the minor cases tried before them and the amateur judge introduces an element analogous to that of the amateur juryman who decides questions of fact in more important cases ; the jury of laymen has before now served a useful purpose by indirectly overriding technical legal doctrines propounded from the Bench, and has thereby, notably in the history of the law of libel, tended to keep the administration of justice in harmony with public opinion.

There might well be room for a court of laymen to try small civil actions, and especially commercial cases, analogous to the Tribunal de Commerce in France, and so to relieve the pressure on the county courts. It is true that during the war emergency committees of laymen were set up with statutory powers to deal with emergency offences such as profiteering by shopkeepers, and that these committees did not achieve any conspicuous success, but their failure under such abnormal conditions to cope effectively with such new and elusive offences does not in itself disprove the desirability of having a court of laymen to deal with certain minor classes of civil actions. Like so many English institutions, the constitution and jurisdiction of our various courts is largely the outcome of a series of historical accidents reaching far back into antiquity, and the county courts themselves, in the modern sense of the word, were once regarded as a dangerous innovation. The time seems ripe for trying yet another experiment in the establishment of an English equivalent to the Tribunal de Commerce.

There remain the judicial functions of public departments, as where the Development Commissioners make an order authorizing a public authority to acquire land by compulsion or where the Ministry of Health sanctions the enclosure of part of a common, or where the Ministry of Transport allows an increase in railway or harbour charges. This class of jurisdiction has greatly increased in recent years and seems likely to increase still further. The Department's discretion has to be exercised judicially, and if this is not done its decision may be upset by the courts, but experience has shown that the officers concerned can with advantage be laymen, provided that they have ready access to competent legal advice.

But apart from the provision of judges, that is to say of people whose duty it is to hear evidence impartially and to pronounce decisions binding upon all concerned, it is necessary for all administrations, whether national or local, to be provided both with advisers to guide their action in legal matters and with advocates to plead their cause in the courts whenever litigation arises. One alternative is to employ practising barristers and solicitors as occasion arises, but in almost all large offices it has been found cheaper and better to have a salaried staff of lawyers

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and when the work is large enough to justify it they are generally required to devote their whole time to it and to abstain from private practice, except that where a barrister is needed to argue a case in court they brief some member of the Bar in the usual way, and in special cases they take the opinion of counsel who are not their employees. Their salaried officers may be either barristers or solicitors by origin, but whereas a salaried solicitor may continue to act as a solicitor in every sense of the word by advising, transacting legal business, conducting lawsuits in all courts and appearing as advocate in those courts in which solicitors have a right of audience, the etiquette of the Bar prevents a barrister from working for a salary; at least if he accepts a salary, or works in conjunction with a solicitor, he can no longer appear in court or practise in chambers as a member of the Bar. This limitation is imposed by the rules adopted by the profession for its own protection and rigorously enforced, and it is so familiar that it is accepted without much question in this country as part of the established order of things. Under certain statutes the holders of certain legal offices under the Crown can perform the functions of a solicitor for their department without themselves being on the roll of solicitors, but even the Crown has no power to appear in court by counsel except on paying his usual fees and sending him a brief through his clerk in accordance with the etiquette of his profession.

This inability to appear in court by a salaried counsel is not really so prejudicial to the public as might have been supposed, because the personnel of the Bar is in this country very highly specialized, and even if the employment of a salaried barrister were possible it would still probably be found best to employ as an advocate some member of the Bar who constantly practises in the particular court before which a case is to be tried, and it is possible by giving what is called a "general retainer" to monopolize the services of a particular barrister in a particular court. This enables the client to secure that, so long as the retainer is in force, the barrister so retained will not appear against him and he need not hesitate to disclose to his counsel any special weaknesses in his general position which might be embarrassing in another case if known to the counsel for the opponent. The price of this monopoly is that the monopolized barrister has a right to a brief whenever his client appears in that court, and many great private corporations, such as railway companies, find it worth while to have their own special counsel working under these conditions; in fact when a very able junior takes silk there is sometimes almost a race between different corporations seeking to earmark him for their service by the acceptance of a general retainer.

The interesting question of fusion between the two branches of the legal provision is outside the scope of this article except in so far as it affects the question of public administration. The English system of dividing the practising lawyers into two watertight compartments has

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both advantages and drawbacks. It tends to greater specialization and therefore to greater elasticity in the choice of counsel and to greater efficiency in the actual conduct of cases in court ; judge and counsel in each court tend to know each other's idiosyncrasies and the rules and practice of that particular court and less time is wasted in discussing the irrelevant or in attempting the impossible. The solicitor has his choice of the whole of the Bar and he is in a position to select the most suitable counsel for the particular case much better than the lay client could do. On the other hand it is in this country impossible to conduct heavy litigation from start to finish under the same roof and through the staff of the same firm as is done in America. It is, however, possible for a public authority with a sufficient volume of work to obtain some of the benefits of the American system by employing a hybrid staff recruited both among solicitors and among barristers, and so with proper organization to secure that even where practising counsel are not employed its departmental legal work has the benefit of the two kinds of skill and experience which are developed in the two branches of the legal profession. In private practice it is the function of the barrister to have a profound and scientific knowledge of some branches of the law and a mind trained to appreciate legal problems whenever they arise, and a wide knowledge of the sources where the law on any particular point may be ascertained. In his professional work he associates almost entirely with other lawyers, he sees his lay clients only in the witness box or at an occasional formal conference where they are shepherded by their solicitor and where there is little time for them to expound their own opinions. He is entitled to assume that the people he advises are acquainted with legal terms and that his instructions have been properly prepared ; the assumption may be wrong, but if so that is not his fault.

The solicitor, on the other hand, spends a great part of his time in seeing all sorts and conditions of men and of women, to whom legal language is strange and unintelligible, and who do not know what they want, and who are incapable of explaining their position without skilled assistance. He has to discover what their position really is and to make up their minds for them as to the course to be pursued, and it is his business to have a wide practical experience of affairs, to know how to find witnesses and get them to tell their story, to be a skilled negotiator, and to foresee the probable cost and consequences of each alternative line of action. He has to know what counsel to employ in each case and what facts and questions to put before him ; and he has to be able to come to a rapid decision as to the immediate course to be taken pending further investigation of the case, something analogous to rendering first aid after an accident ; there is hardly any limit to the variety of questions which may be put to a solicitor without warning, and if he is to succeed in his profession he must cultivate the faculty of advising on the spot,

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not, if he is wise, as to the questions of law involved but as to what is the next thing for the client and the solicitor to do or abstain from doing in the next twenty-four hours. If counsel is employed, he has to translate his opinion into language which the client can understand, to estimate the probable cost of acting on his advice and in conference with his client to make the final decision as to the course to be adopted. Some clients make up their own minds but in most cases the final decision "to be or not to be" rests in practice with the solicitor and not with either client or counsel. His success in his profession depends ultimately on his judgment in such matters and he has little time or inducement to acquire any profound knowledge of the law. It is better for all parties that he should get his advice on law from a specialist barrister; when this is obtained the cards in his hand are known, the principles of the game have been explained, and it is for him to play the hand.

These two different professions naturally tend to produce not merely different kinds of learning but different attitudes of mind. In exceptional men a solicitor may be able to do the work of a barrister or the barrister may be able to do the work of a solicitor, but in both cases the chances are against it. It is rare to find a solicitor who can, in a difficult case, write without counsel's guidance the adroit letter aimed at being read in court rather than at its effect on the recipient, and it is equally rare to find a barrister who could conduct an ordinary correspondence from start to finish without bringing matters to an impasse; he lives so much in an atmosphere of strife that he drops unconsciously into the provocative style appropriate to legal pleadings.

These being the two professions from which lawyers can be drawn for administrative purposes, how shall they be recruited and how shall they be used? The limits of their functions were discussed by Sir Francis Floud in his paper on "The Sphere of the Specialist in Administration," which was published in this JOURNAL in April, 1923. With his conclusions I respectfully and entirely agree. Though some lawyers, of whom Lord Southborough is a notable example, have migrated with conspicuous success from legal to administrative functions in the Civil Service, it is only among exceptional men that a legal training develops the qualities needed for administration, and when a lawyer does take up administrative duties it is better that he should not be asked still to combine them with legal duties. The public services derive great benefit from the fact that some of their officers have in their youth been called to the Bar or worked in a solicitor's office; it gives them a background of knowledge of legal terms and some acquaintance with the logical and orderly thinking needed for all study of the law but no adviser in law is so dangerous as one who has been a lawyer and is no longer engaged upon it.

On the other hand it is of the greatest advantage to an administrative officer to be in the closest possible touch with his legal adviser and, if

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the latter is as good a man as he ought to be, to invite his suggestions and criticisms on many matters outside the strict sphere of the law. An intelligent lawyer sees so many transactions in so many different aspects that he should often be able to make useful suggestions on matters of policy ; just as the private client is apt to consult his solicitor on any kind of problem, the advice of the solicitor to a big corporation often carries weight with the directors in matters where no question of law is involved. Nevertheless, it is rare that a man whose life has been spent in the law is well equipped for the final decision on administrative matters.

What then are the risks to be feared in the use of lawyers in administration ? They arise from the special tendencies produced in most men by the long study and practice of the law, and these tendencies may be summarized under three heads, firstly a tendency to see transactions in the wrong perspective and to obstruct the conduct of affairs by playing too much for safety at all costs ; secondly, a tendency to use legal jargon when it is not needed ; and thirdly, a tendency to take too technical a view of legal problems without giving enough weight to questions of policy. These are the reasons which make the business world hesitate to welcome a lawyer upon a board of directors unless he shows himself to be immune from this professional bias ; the fear is not without foundation, and although there are conspicuous instances of lawyers who have shown great business or administrative ability, the safest general rule is not to combine administrative and legal functions in spheres where there is room for an adequate staff of both kinds, and if, as may sometimes be desirable, a lawyer happens to be placed in an administrative post it is better that he should still have a legal adviser, just as the prudent lawyer employs some other lawyer to act for him in his own legal difficulties, knowing that he cannot trust himself in such a case to take a dispassionate view and to see them as they would appear to a judge and jury.

In political life there is sometimes a prejudice against lawyers on the ground that they may be "too clever" and will speak to any brief without regard to their real convictions but in administration these criticisms are irrelevant although the unconscious bias of the legal mind remains a serious factor.

It arises from living in an atmosphere of controversy and from seeing an unduly high percentage of the transactions that go wrong and call for legal aid, without seeing enough of the more numerous transactions that go through in the normal course and "need no physician." The lawyer whose experience of doctors' prescriptions consists in trying to draft an indorsement for the pill-box of a mutinous patient may be apt to forget that after all most patients do continue to attach an appropriate meaning to the phrase "one pill three times a day."

What is largely true of solicitors is still more true of barristers, whose world consists still more exclusively of cases that have got into trouble

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owing to the absence of greater legal precautions ; in fact in this respect a barrister stands to a solicitor very much as a solicitor stands to a layman, in each case the knowledge of law is greater and the knowledge of normal transactions is less. In both cases, however, the bias can be minimized if the lawyer himself is on his guard against it.

A barrister may in a sense be compared to one who knows war from the experience of a base hospital, seeing nothing but casualties, all of them serious and many of them preventible if, for instance, the patient had worn a steel helmet over his chin when he went over the top or, better still, had stayed in the trench or had not been allowed to go into the front line with some latent weakness of the heart. Such an observer, if left in charge of military operations, might very likely tend to exaggerate useful precautions to a degree which would hamper the conduct of the offensive, unless he were possessed of an unusual power of correcting his perspective. A solicitor, on the other hand, may be compared to one who works in a field ambulance ; he sees even more casualties, but many of them are slight ones to which he can himself minister, while for the more serious he merely renders first aid and sends them on to the base hospital for more skilled treatment. With less expert knowledge than the base hospital surgeon, he is more nearly in touch with the conditions of the front line, although he will still find it hard to realize what is the true proportion of casualties to men engaged. In the same way lawyers see a disproportionately large number of cases in which the departure from some old and familiar form of words has led to disastrous and unforeseen results, and hence they hesitate to alter them at all ; we still sign share transfers stating that we "bargain, sell, assign, and transfer" them, though half these words have been obsolete for generations.

And yet, after all, it is impossible in practice to make a legal document absolutely proof against every conceivable contingency ; for instance, an earthquake in London would leave landlords and tenants in great doubt as to their respective legal liabilities, and although in some countries it may be most necessary to provide for such a contingency, the insertion of such provisions in a London lease would on the whole be unadvisable because of the remoteness of the risk.

Nevertheless, as we found in the Crimea, it is disastrous to wage war without an adequate medical service, and it is no less disastrous to try to carry on administration without prompt and competent legal assistance always at hand. The practical problem is how to provide this assistance, how to recruit the personnel of a legal staff, and how to keep it ready mobilized for giving help whenever wanted.

For recruitment it is best that the trade should be learnt not inside a public office but in the ordinary channels and that the recruit should have had some actual practice at his profession before he enters public service ; otherwise his outlook and experience will be too limited and in

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the haven of a public office he will be at a disadvantage in contending with lawyers who have struggled in the open sea. From this it follows that he will join the service older than men in other branches, and if the best class of man is to be attracted his commencing salary and pension must be adjusted accordingly.

Where possible a hybrid staff of barristers and solicitors is desirable, but if this is not feasible it is better to have solicitors; a solicitor can supplement the gaps in his legal knowledge by going to counsel in the ordinary way, but a barrister cannot employ an outside solicitor to supplement his ignorance of solicitor's work, and if he can organize and manage an office staff it must be by sheer natural ability and not from anything that he learnt at the Bar, where his business transactions were confined to paying rent for a room and a part of a clerk's remuneration calculated on profit-sharing principles unknown in any other sphere. For the same reason it is on the whole better that a solicitor should be in charge of the office with a barrister to help him rather than vice versa. Either a barrister with an exceptional flair for solicitors' work or a solicitor with an exceptionally good knowledge of law will make the ideal head for a legal department, but failing these a solicitor is better fitted to run the machine and to see that the administrative officers get what they really require, and that the department's business is efficiently transacted.

It is, however, harder to select a solicitor than a barrister, for if a barrister has any considerable practice a large number of people in both professions are aware of the fact and can form an opinion as to how he does his work, whereas unless a solicitor be at the top of the tree his good and bad points are known only to his clients and most of them are not qualified to say how well or ill his work is done.

The other branches must learn to go to the legal branch at the early stages of every complicated or controversial matter, and the legal staff must learn to give prompt and practical advice rather than disquisitions on law—in fact, besides ascertaining the law (with or without the help of outside counsel) they must do what an ordinary solicitor does with counsel's opinion and study the art of making it intelligible to a layman. They must make a habit of imagining themselves to be in the position of the layman who consults them and must consider what they would need to be told in that case. Where the legal position is doubtful they must not hesitate, after explaining the doubt, to give a clear lead as to what on the whole should in their opinion be done, and if the decision rests partly on grounds of general policy they must in their advice clearly distinguish between considerations of policy and considerations of law, so that the ultimate decision on policy may lie with the person responsible for policy.

Above all the legal staff must learn to make their own instructions, to find out what is the real issue and what are the possible alternatives; they must not only answer the question put to them but must so far as

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possible answer questions which should have been put but were not, giving the advice that the other officer would have sought if he had had more intelligence or more knowledge of law.

All sections must be ready to co-operate in bringing negotiations or controversial matters to a prompt settlement when opportunity arises. The most besetting sins of all public offices is that so often no one has authority to settle without first referring to someone else ; hence the other party loses his temper and fights a law suit or insists on an arbitration when he might readily have come to a settlement if he had been face to face with some one who could close the bargain. One of the commonest sources of this delay is that the negotiator cannot finally agree terms without referring to the legal adviser to know what their exact effect would be, while if the legal adviser is approached by the other party's solicitor he cannot accept an offer of compromise, be it ever so favourable, without referring to another branch for approval. This difficulty can often be overcome if it be arranged that both the legal adviser and the other officer hold a joint conference with the other party or his representatives.

There remains, however, one difficult problem ; who is to have the last word in deciding whether to fight, compromise, or abandon a disputed claim ? In private life the party who stands to win or lose either decides the matter himself or authorizes some one else to do so, but in public administration it is impossible to refer most matters to the ultimate "client," whether it be the cabinet or a county council. Its officers have none of their own money at stake and they may either err through good nature or laziness in paying away money which should have been withheld, or through temper or pedantry they may incur useless costs in fighting a hopeless case. No general answer is possible to this question but the legal adviser must remember that where the "client" authority itself cannot be consulted his advice may operate practically as a veto or as an order. If he says that a certain claim against a department cannot be legally enforced it may be impossible for that department to make the payment, even though there be overwhelming reasons for doing so on grounds of policy or of morals ; the accounts must presently be audited and the auditor will want to know why the department paid away money when their solicitor said it was not due. On the other hand there may be cases where, on grounds of policy, a public authority (or anyone else) ought to fight some action even with very slender hope of success, but if once the solicitor advises that the case is not a good one it may for similar reasons be almost impossible to undertake the cost of litigation. It therefore behoves the legal adviser of a public authority to remember that his advice may have almost a mandatory effect and he must be careful not needlessly to hamper the discretion of the administrator by the form in which his opinion is given.

## Reviews

[It will be the object of the Reviews of Books in the JOURNAL to cover the whole ground of the literature produced in the preceding quarter which may have a bearing upon public administration. By this means, it is hoped, some assistance will be given to the student and some direction to the general reader. A judgment of the value of the books will be attempted, as a portion of the ordinary duty of criticism, but the particular value of the book in its relation to the advance of the science of public administration will be regarded as the paramount criterion.]

### Political Foundations

#### I

"ETHICS AND SOME MODERN WORLD PROBLEMS," by William McDougall, F.R.S.  
(Methuen & Co., Ltd.) 7s. 6d. net.

PROFESSOR McDougall is seriously concerned about the future of society. Its ethics, he holds, are mistaken and have led the world into dangerous ways. "The tragedy of our situation," he states, "is that the greatest danger threatening our civilization arises from the working within us of the altruistic or benevolent impulse." That our situation is not worse than it is we apparently owe to the fact that our practice has been inconsistent with our theory.

Ethical systems he divides into two classes, the "Universal Ethics," which are typified by Christianity, Buddhism, and less strictly Mohammedanism, and "National Ethics," the leading examples of which are to be found in the ethical systems of Judaism, of Japan, of China, and of Brahminism. He desires a system which will be a synthesis of these two main classes and "the first step towards the new ethical synthesis must be the frank realization that ethics cannot be divorced from politics."

There is much that could be said in favour of this view. Unfortunately Prof. McDougall does not say it, and a great deal of what he does say is either inaccurate or illogical. For instance, when he states that the only political systems consistent with Christian ethics are Tolstoyan anarchy or cosmopolitanism, he is simply talking nonsense. And when he disputes with those who claim that ethical principles must be deduced from moral maxims which have their root in the conscience, holding such a view to be a repudiation of the Utilitarian doctrine that ethical precepts must be judged and evaluated in terms of the consequences which result from the practice of them, he is guilty of a serious logical fallacy. To state that a tree has its roots underground is surely not to deny that its goodness may be judged by the fruit on its branches. The trouble with Professor McDougall is that he wants the tree to grow upside down, or, to abandon the metaphor, he seeks to answer the question "How should society be organized in order that the best men may exist and realize

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the best life ? " and to regard everything consistent with his answer as ethically sound. Such a course involves not a new ethics but the abdication of ethics altogether.

One would not mind this so much if the politics which constitute the remaining interest of the book, and on which he seeks to found this ethics, were good, but the best that can be said of them is that they are like the curate's egg. There is of course widespread agreement with the principle that society should provide for " the highest happiness of the greatest number," that in considering numbers regard should be had to the future as well as the present, and that each member of society should seek to secure such conditions within his own nation. One cannot, however, accept Prof. McDougall's assumption that nations have existed throughout the ages while ethics is a comparatively modern growth. The contrary is the case ; national consciousness has its origins in common ethical standards.

When he comes to deal with the machinery and policy of government he is even less happy. His fundamental principles are all right. A nation should be governed by its best citizens, these should act in a representative capacity, and an educated electorate is more likely than an illiterate electorate to select a good government. But he does not, in consequence of these principles, support the extension and broadening of compulsory education ; he would abolish it. He would make an educational test compulsory for all electors, and he would not mind how difficult the test were made. If either a man or woman married a person below the class of electors he or she would be disfranchised automatically. The children of electors would be admitted to the franchise as soon as they reached adult age and were educationally qualified. The children of people of the lower class would not, however, be admitted to the class of electors until twenty-five years after both husband and wife had become educationally qualified. It seems rather grotesque to advance such a scheme to-day, but Professor McDougall is very serious about it. The chief reason is to be found in his great fear of population. He fears a population which is indefinitely increasing in numbers, and still more one which is increasing rapidly in its lower classes and is stationary or declining in the higher classes. He therefore desires to protect the higher classes and to restrict the lower classes. But is he quite sure that free education, improved sanitation, etc., lead indefinitely to an increase in the numbers of lower class people, while the cost of maintaining these amenities leads to a restriction in the birth rate of the better classes ? He might reflect on the fact that in England the practice of restricting the size of the family is moving down the social scale in spite of rapidly increasing social services.

In dealing with the relations of nations to each other he raises problems for which he provides no solution. For instance, he sees the improved

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conditions arising from British administration in India leading to an increased population of an unassimilable class which before long will press on the world's resources, but he does not suggest the way out.

In the purely international sphere he desires peace and devotes a good deal of time to the discussion of the European situation. The key to this situation he finds in the fear of the French nation of a resuscitated Germany. But the problem is not so simple as all this. The psychology of the French nation is itself more complex than he represents, and in a case of this kind it is always wise to keep the psychology of both sides in view. Professor McDougall seems to have overlooked the importance of German psychology in connection with this problem.

He then turns to consider the League of Nations towards which he is inclined to adopt the prevailing American attitude. He is much concerned about the need for force and the proper control of such force in connection with international affairs, and believes that this can be achieved, and the fears of America allayed, if it could be agreed that the League of Nations maintain a large and powerful Air Force, and that no one else be allowed to own an aeroplane. But this involves a technique which is beyond the scope of the book, and at any rate in regarding this as a permanent solution he has forgotten the risk of someone inventing a "Death Ray." The criticism of his outlook, however, is more fundamental than this, his difficulties arise from the small regard in which he holds public investigation and discussion as a method of solving international difficulties. This method has frequently been powerfully supported on psychological grounds and some answer to this case seems to be called for before it is decided to regard force as the key to the future of the League of Nations. In short, Professor McDougall looks very pessimistically on the world and has shown that acute pessimism like airy optimism, provides a very distorting medium through which to view reality.

A. C. STEWART.

## II

"THE IRRESISTIBLE MOVEMENT OF DEMOCRACY," by John Simpson Penman. (London, Macmillan & Co.) 21s. net.

THIS book is a vast storehouse of research. It gives us the minute details of the development of democracy in England, France, and America from the time of the American succession. It runs the risk of not seeing the wood for trees, but while we are aware of the risk as we read the 700 pages a study of the closing chapter shows that the sense of perspective was never lost. The best of the book is the fact that it shows the inner relationship between the different developments. It is kinder to England —according to the newer studies—than the older American books which

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dealt with the succession. The most striking chapter deals with Andrew Jackson and his stern action with the "officials," who after twenty-eight years had come to regard themselves as "permanent." But the spoils went to the victor and Mr. Penman has to content himself with the plea that fewer were changed than might have been the case! It began a new tradition in American politics and we are left wondering if, after all, there is not something to be said for that fierceness of loyalty which is bound to burst through mere professional bonds. What seems to have affected the whole process is the spurious idea that the "people" must have an actual share of offices if Government is to be "by the people." It is an odd instance of protest against class action running into class action.

The story of France is told with freshness and with new light on some of the aspects of the change. American influence gets its due, and perhaps just a shade over its due. We should have welcomed some data on the public—and the municipal—officials during this period. The third section deals with England and ends with an analysis of the position to-day in which there is shrewdness of estimate and a keenness of insight which are remarkable. In the ultimate aim of democracy Mr. Penman includes an emphasis upon individual freedom which is born of his anxieties. In this respect he is of opinion that "democracy stands at the crisis of its history." We are not surprised at his anxieties, for he thinks that the organization in England is "essentially aristocratic," that this aristocratic spirit "ramifies through all the degrees of the public service." It is the statement of the kindest of critics, and we may accept it in equally as kindly a spirit, though to us it may seem short of justice. There are others of our critics who reach a different conclusion. Mr. Penman has not shaken himself clear of the conception of public officials as dull persons in a hopeless routine, presenting a fixed front to change and adaptation of any kind. Apart from all this, he has gathered together a storehouse of fact, which will be of incalculable use to many a student. There is no such record of what may be called the *finesse* of the development of democracy.

JOHN LEE.

### III

"THE WAY OUT": Essays on the Meaning and Purpose of Adult Education, by Members of the British Institute of Adult Education. (Published by Oxford University Press and Humphrey Milford.) 4s. 6d. net.

THE Liberals of Victorian times, the Socialists of to-day and the day before have succeeded in placing power in the hands of the people. Meanwhile conservatively-minded people have been deplored the un-wisdom of a movement which was handing over such vast potentialities to those who were but little fitted to appreciate or control them.

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Unfortunately, those who have cried loudest have been the least willing to take steps to educate the community so as to fit it for its new dominion. On the other hand, even the keenest of political reformers have too little regarded the dangers attending the success of their efforts and the need for advancing the opportunities for education even more rapidly than the spread of political power.

There has been a comfortable fashion among certain politicians to exaggerate the extent and the significance of the agencies of adult education. The old mechanics' institutes, the working men's college, and especially the Workers' Educational Association are put forward as evidences that the heart of the British working man is, as regards education, in the right place. Not only so, but it is even suggested that as a result of the activities of such agencies the manual workers are educating themselves at such a rate that there is no cause for alarm at the wide extension of the franchise or at the increasing complexity of the problems with which the modern electorate must grapple.

That easy optimism is not shared by those most closely in touch with the movement for adult education. The very title of the volume of essays under review indicates that the members of the British Institute of Adult Education recognize that the modern community is in a very serious situation, from which a way out must be sought.

Professor Laski states the position clearly in his essay "Knowledge as Civic Discipline." "Education in our own day has a bearing upon the life of the State more intimate than at any previous time. We have made the electorate commensurate with the majority of the adult population but we have failed, in any creative sense, to fit that electorate to grasp either its responsibilities or its powers." He only emphasizes the practical importance of the subject when later in the same essay he says: "The political importance of adult education lies in the fact that it provides the one plane of discussion upon which social change can proceed in peaceful fashion."

At the same time mere teaching and learning is likely rather to increase the danger than to allay it. Up to a point such education can give tangible rewards and every W. E. A. class has examples of manual workers who, through its agency, have been able to raise themselves out of their class. But the saturation point of employments in which what is commonly called "education" is an asset has been reached, and all over the world unemployment in the "professions" is a growing problem. So Lord Haldane, in his opening paper, lays it down that "The new conception of education must be that of education as an end in itself, a power liberating from the fetters of ignorance. . . . Like virtue it must be its own reward."

The cynic will admit the truth of the statement while he reflects that it is made the more easily on a full belly and in the enjoyment of a good cigar.

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Nevertheless there is the difficulty—a literate electorate alive to the humanities is needed or else democracy must fail and in failing may destroy civilization. In the process of humane education discontent may well go ahead of the immediate resources of civilization and political science and chaos be the result. Albert Mansbridge, as might be expected, makes fruitful suggestions in the essay "Ideals as Facts." "The important thing . . . is an increased demand on the part of all kinds of people for non-vocational educational facilities . . . concerned with restoring balance to a man who has . . . developed to a great extent one or other of his characteristics for the purposes of his livelihood. . . . In Czechoslovakia certain university professors discovered their need for adult education ; . . . they found that they were engaged almost exclusively in intellectual work which made insufficient demand upon their physical powers, especially in relation to its application to creative work. They therefore turned in their leisure hours to the practice of ordinary manual processes. . . ." Indeed, as Laski urges, and as Miss Haldane suggests, the solution to the problem may well be found in the use and the extension of leisure.

J. H. MACRAE-GIBSON.

### IV

"THE NEWSPAPER AND AUTHORITY," by Lucy Maynard Salmon. (London : Humphrey Milford.) 31s. 6d. net.

READERS of *Industrial Democracy* will remember that its preface contains a recipe for scientific enquiry into any department of sociology. You start with separate sheets of paper, uniform in shape and size, each of which is devoted to a simple observation, with exact particulars of authority, locality, and date. To these, as the enquiry proceeds, you add other headings under which the recorded fact might possibly be grouped. These sheets you shuffle and reshuffle, according, so to say, as it is desired to regard diamonds or spades as trumps, or, dare we say, according to whether you are speaking from the Government or the Front Opposition Bench. In addition you must have recourse to three good instruments of discovery : the Document, Personal Observation, and the Interview, and the greatest of this trinity is the Document. This is not an adequate or even a fair summary of the Webbian method, but it will suffice to introduce Miss Salmon, the Professor of History at Vassar College, already known as the author of *The Newspaper and the Historian*, who has supplemented it with the present volume on the relation of newspapers to external authority in the shape of the Church, the State, and public opinion. It runs to 500 closely printed pages and ranges over such topics as preventative and punitive censorship, press bureaux and propaganda, libel and libel suits, the clandestine press, the influence

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and freedom of the press. Miss Salmon tells us precisely how she made her book. She surrounded herself with the 2,000 "Documents" contained in the Justice Collection of Works on the Press; with the files of Hansard, Congress, and other Parliamentary Debates in the College Library; with a collection of 15,000 clippings relating exclusively to the press; and finally with 20,000 photo-stated slips giving extracts from German newspapers of all shades of political allegiance, made during the War and the first months of the armistice. She shuffled and reshuffled under main headings and countries, and has built up a fabric of well-arranged information with a myriad of foot-notes below propping up the text above. Some idea of the immense scope of her work can be gathered when we mention that the index runs into sixty columns. The result is not literature. The scaffolding is all over the building; you hear the winches creaking as the blocks are lifted into position. What is now required is that Miss Salmon, for the sake of the feeble-willed, should work over her vast material and serve it up in the Lytton-Strachey manner, or, to choose a more apt example, let her write a new *Aeopagitica*. For it is plain that the author, if she be not a Milton, is far more than a skilful compiler and sorter. It is not difficult to perceive where her sympathies lie in the conflict which for three centuries has been waged between the newspaper and authority, and that if she disentangled herself from her data she could write a resounding pamphlet.

The serious student of modern politics will find the book full of suggestion, for it deals with one of the most difficult of our unsettled problems—the relation of the executive to the press. "Journalism," wrote John Stuart Mill, "is to modern Europe what political oratory was to Athens and Rome." That is truer to-day than when Mill wrote, though broadcasting may presently restore some of the advantages of direct speech. The press more than ought else maintains the unity of our social life and at the same time stretches its horizons beyond the nation's boundaries. The abuses of the sensationalists should not blind us to the accuracy and faithfulness of the press as a whole. Its power is great and deservedly great. So great, indeed, is it that our social philosophers are apprehensive. Editors are said to be the modern kingmakers. Prime Ministers rise and fall at their bidding. Some even exchange the editorial chair for the premiership like Clemenceau and Mussolini, Graham Wallis warned us long ago that if the rich people in any modern State thought it worth their while, in order to secure a tariff or legalize a trust, or oppose a confiscatory tax, to subscribe a third of their income to a political fund, no Corrupt Practices Act yet invented could prevent them from spending it. If they did so, there is so much skill to be bought and the art of using skill and opinion has so advanced, that the whole condition of political contests would be changed for the future. He was thinking chiefly of the modern newspaper, and thus it may happen that

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the very instrument devised to increase our liberties may be turned to corrupt and destroy them. On the other hand, we may point out that the emergence of the Labour Party with the aid of scant funds is proof that the money-power is far from omnipotent.

Authority may now try to suborn the press to its uses, but it has more usually tried to thwart it and restrict its influence. Miss Salmon traces the history of the struggle as it developed in Europe and the United States, and most fully its history in these islands. Pope Alexander VI introduced the principle of censorship when four centuries ago he issued a Bull against unlicensed printing. It was aimed at theological heresy. The State adopted the same device to protect itself against sedition and more recently against industrial heresies. In this country regulation proper of the press began in 1712 and continued for over 150 years, despite the attacks of such doughty fighters as Junius, John Wilkes, Henry Hetherington, William Cobbett, W. J. Fox, and George Jacob Holyoake, to name a few in an honourable succession. Regulation was born of the fear that knowledge on the part of the masses would be fatal to good government. It was continued, as so many stupidities have been, in the interest of revenue. The taxes on knowledge were a premium on ignorance. They led to dear papers and to smuggled papers, to deceit and evasion, and to all sorts of casuistical legal conundrums as to what constituted a newspaper, a periodical, a pamphlet, news, comment, libel, blasphemy. The advertisement duty went in 1853, the stamp duty in 1855, and the paper duty in 1861. The abolition of the first, which enabled working men to use the "wants" and "situations vacant" columns was a result of an amusing bit of strategy. "In 1853 Gladstone, as Chancellor of the Exchequer, had reduced the duty on advertisements from 1s. 6d. to 6d., and had been supported in this by the House of Commons. During the dinner-hour when the supporters of the Government were in the minority, an amendment was proposed by E. H. J. Craufurd, at the instigation of Milner Gibson, substituting the word "naught" for "sixpence," and the Budget passed with a tax of £0 0s. 0d. on advertisements. The next morning when Mr. Gladstone awoke he found the sixpence irrevocably gone, while Mr. Craufurd was greeted at his club with 'See the conquering Zero comes.'"

There is some enlightenment to be obtained from Miss Salmon on the relation of Cabinet Ministers to the press. The view prevailing in the last few years that regular traffic with editors originated with the Coalition Government is seen in these pages to be an ignorant and a prejudiced view. The Cabinet began with Sir Robert Walpole, and Walpole secretly subsidized the press while protesting publicly, rather like Lord Balfour, that he never read the papers of either party. Canning had to be very guarded in his relations with newspapers since his Government was attacked because of "the influence possessed by it over the Press."

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The Duke of Wellington brought to the Premiership the contempt for the press which he had displayed as a military commander. Disraeli was a "gentleman of the Press" and Joseph Chamberlain diligently cultivated it. Great editors like Delane, Stead, Northcliffe, to name only the conspicuous dead, were in constant communication with Ministers. It might be argued with some plausibility that the recognition by the State of the services rendered by journalists during the Great War marked an important advance in their professional status and did something to lessen the mystery in which the relations of the State and the newspapers are normally shrouded. And during the many peace conferences it is probable that if Lord Riddell had not existed he would have had to be invented.

A broad the relations of some prominent public figures with the press have been much more direct, thorough, and sinister than with us. Napoleon founded newspapers, directed their policy, and contributed to them. So did Bismarck, who supplied his Press Bureau with most detailed instructions, indicating the journals in which the articles and letters were to appear—official, semi-official, and "unsuspected." He directed letters to be sent as if written in Paris or Rome or from provincial Germany, and he even tried to insert paid articles in the French press. Under him, as under his successors, much of the press became an organ of Government rather than a mirror of public opinion. So we learn from Bismarck's secretary, Dr. Moritz Busch. But Busch was more tractable than his prototype Fiévéé, who served Napoleon. Napoleon had as incurable a desire to learn the news as Mr. Lloyd George, and Miss Salmon tells us how he proposed that Fiévéé should write *un journal pour lui seul*. He reluctantly accepted, and for eleven years (1802–1813) he wrote a sort of private newspaper, fearlessly expressing his opinions, opposing imperialism, telling the Emperor unpleasant truths and giving him much sound advice. Lincoln was obviously much embarrassed during the Civil War when urged to suppress newspapers, and he declared that a Government had better go to the very extreme of toleration than to do aught that could be construed into an interference with the rights of the people. But whatever his misgivings he had often to proceed against those who "gave aid and comfort to the enemy."

The mention of the Civil War brings us to another valuable section of Miss Salmon's book; its treatment of censorship in time of war. Dean Inge said the other day that our greatest danger arises from the fact that politicians do not speak the truth. We need not agree with the Dean in days of peace, but we can admit that when war is declared "the first casualties are free press and free speech." So it was in the Great War and so will it be in any like conflict again. The generals take charge of us and the military mind with its naive faith in all forms of force turns easily to the control of other people's minds and to the suppression of our

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right to criticize our mentors. D.O.R.A. becomes the inspired scripture. The country is in peril and all, truth itself, must be sacrificed to save it from ruin. The lines of communication on the home front must become lines of falsification lest our adversary learn something to his advantage. The Great War, however, lasted long enough to teach us that it might be more important to give news to our own people than to withhold it from the Germans, that Britishers needed no mythical Russians or corpse factories or maimed Belgian babies to support their will to stick-it-out. What sustained our people, no less than the Germans, was a belief that they were pursuing a good, however mistakenly conceived. The spirit of the German people was finally broken at least as much by the Fourteen Points as by the arrival of the American troops. No doubt all this will be duly noted in the war book for the guidance of the next ministry of information. There are objections on grounds of expediency to the censorship in war-time in a country like ours. We are really much more accustomed to hearing the truth, or what is thought to be the truth, than Dean Inge suggests. To take his own example, statesmen do not proclaim that "our unemployment is due to over-population" because they are not convinced it is so. They are torn between the conflicting views of Sir William Beveridge and Mr. Keynes, and it will be soon enough to proclaim the truth when it has been ascertained. In war-time you cannot keep all the people in complete ignorance nor can you suddenly put the nation on a diet of lies and nothing but lies. If you did, could peace ever come? And if it did come might you not find you had lost the habit of truth? What does in fact happen is that we try to play "Bayard and Ulysses as one man and succeed in combining the short-coming of an inefficient serpent with those of a sophisticated dove. If we really went the whole serpent. . . ." We shall quote no more, but only suggest that on the eve of the next world war the C.I.D. should issue to the official censors copies of two chapters forming the classical treatment of this subject, and only incidentally referred to by Miss Salmon. They are entitled "Can't Believe a Word" and "The Duty of Lying," the work of the ablest leader-writer of our time.

We must end on a happier note. There was a time when Sir Walter Scott could write that no one but a thoroughgoing blackguard ought to attempt the daily press. Monsieur Bergeret, after naming, in a sentence two pages in length, all the notorious liars of history, declares that they had not accumulated in the long course of the centuries so many lies as Jean Coq and Jean Mouton read in the newspapers in a single day. Anatole France was suffering from the Dreyfus case when he wrote that prodigious sentence. We believe that the morality of pressmen to-day is as high as that of our politicians, our business men, and our City financiers. Complete freedom of the press there is not, and is not likely to be any more than there is open diplomacy in our Foreign Offices or at

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Geneva. The safe rule is still Voltaire's : " I wholly disapprove of what you say and will defend to the death your right to say it." That the freedom of the press is a great reality is proved anew every morning. Fascisti may fake election returns, strangle the press, and murder Socialist deputies, but it is the press, too, which voices the protest of mankind and cries for justice.

M. M.

### Economic Foundations

#### V

" PRINCIPLES OF POLITICAL ECONOMY," by Charles Gide. (London, George G. Harrap & Co.) 10s. 6d. net.

THIS is a fresh translation of the twenty-third edition by Ernest F. Rowe and it includes a summary of the additions which Professor Gide made to his work after his studies of the War period. Those additions can best be found in the two-volume edition of the *Cours d'Economie Politique*, published in 1920, which is a treasury to the student. Nevertheless Mr. Rowe has included in his more concise work more than an outline of what Professor Gide contributed to the study of economic and social problems as a result of the Great War. It is in particular the consideration of the human problems which gains most from this fresh statement. The whole chapter headed "Wage Earners" is admirable. It begins with a statement of wage-earning, which includes a definition fresh to English readers. "I know only three ways of living in society," said Mirabeau, "one must be either a beggar, a thief, or a wage-earner. A land-owner is only the first among wage-earners." Gide narrows this down, as he is bound to do, until wages become merely the payment of labour hired by the *entrepreneur*, but he gives us by way of a hint a suggestion that in the logic of economics it is only a convenient distinction, and we miss in the shorter book the distinction which he draws between those who are paid remuneration by industrial enterprise on the one hand and those who are paid by the State or are paid for purely personal services.

Gide's book, apart from its intrinsic merits of lucidity and happiness of illustration, has certain special merits of breadth of vision. He is able to show defects in the classical system without condemning that system as a whole. He is able to see new vistas even before they approach. Thus he deals with those famous words of Bastiat—"We must learn to look at everything from the point of view of the consumer." That, from the point of view of the classic writers, is unnecessary, for economic

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laws will attend to it. Not so Gide. He sees that the consumer is in peril. "Consumption does not create among men the same community of interests, the same permanent concentration of effort, as does the exercise of the same profession, in spite of competition. For this reason professional organization has far outstripped the organization of consumers." Then he goes on to give us a number of instances in which consumers have set about safeguarding their rights, and he sums up in an admirable chapter certain ways in which the State has been forced to act as a protective agency.

As an issue which must hardly be touched, because it is a matter of controversy, he has some remarks to make which may be quoted. "The division of labour in matters of Government is still in an embryonic form ; public functions are arbitrarily distributed ; the power of governments is unstable ; so-called universal suffrage, which too often does not represent the will of the majority, is crudely organized ; and all these circumstances render the State actually unfit for the accomplishment of economic ends." On another page we gather that in these respects matters are worse in France than elsewhere, and also in a foot-note that Government enterprise in France—State pastilles, for example—attempts more than it does in England. Altogether, apart from controversy, it is a point which has its interest for students of public administration.

JOHN LEE.

## VI

"ECONOMICS FOR HELEN," by Hilaire Belloc. (J. W. Arrowsmith, London, 1924.)  
246 pp., crown 8vo.

MR. BELLOC divides his little book into two parts, the first, roughly a third of the whole, being entitled "The Elements," and the second being devoted to "Political Applications." In the first part an effort is made to avoid questions of what is desirable or undesirable, right or wrong. The author's skill in exposition ensures that the matter is presented clearly and simply and affords much justification for the title of the book. According to the paper wrapper in which the volume is sent out, Helen is supposed to be 16 years of age. In spite of the author's craft, there will be a good many Helens to whom the book will not be simple.

At the very outset one feels impelled to challenge Mr. Belloc, since his opening discussion of "wealth" shows that he uses this term in a sense substantially different from that in which English writers in general employ it. While insisting that wealth does not consist in material objects, but in values attaching to them, he admits nothing to the category "wealth" which is not thus associated with material objects.

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No reader of Marshall or of any of the group of writers who share his views will fail to see that, in discussing "wealth," they are dealing with a conception which differs in quite important respects from that presented by Mr. Belloc to the imaginary Helen. The point is important, since it affects in some vital respects the political applications of economic knowledge to which the greater part of this little book is devoted.

When he approaches the problems of exchange, Mr. Belloc arouses expectation of new developments by introducing the term "potential" to represent the conditions which render exchange mutually advantageous to those concerned. The phrase does not recur, and the idea is not developed, so that the hope of new light in dark places is disappointed. We wonder why, if this was to be so, it was worth while, in a book intended for girls of 16 and others of similar experience and intellectual development, to introduce a strange phrase which was to be abandoned at once. It is hardly worth while to discuss here the appropriateness of this loan of a term from electrical technology, as its use is so casual.

In the discussion of money, Mr. Belloc encounters real difficulties. Quite obviously the approach to the subject by way of full-valued coin as the familiar medium of exchange presents many advantages, had the book been definitely intended for persons of mature experience in the main. But sovereigns can hardly be thought of as familiar coins to young people who were born only some half a dozen years before gold ceased to be commonly current. The introduction of the idea of "general prices," "that is the value of all goods *in general* as measured against gold," does not, consequently, appear altogether simple for persons whose experience of money can have included but little acquaintance with gold coins. It is a mere trifle after this that the average of prices in 1923 is represented as double those of before the War, and that what may be a misprint of 123 as the number of grains of gold in a sovereign remains in two places with the middle figure uncorrected (the pure gold in a sovereign being 113 grains), the phrases used making it quite clear that the gold content, not the gross weight, of the coin is intended.

While the first part of the book is, in the main, a clear and useful exposition of economic ideas and principles, the second and larger part contains a large proportion of highly tendentious statements which might reasonably be challenged were the space in which to do so available. It appears hardly just to Helen, aged 16, to present her with such a mass of disputable conclusions, supported from time to time by alleged summaries of history, which she is extremely unlikely to be in a position to criticize or challenge. Mr. Belloc prefers a state in which slavery dominates to the picture of modern capitalism which fills his mind on the ground that security of maintenance and status without personal freedom is preferable

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to personal freedom without security of maintenance and status. He would prefer to either what he designates "the distributive state," of which he cites Denmark as the best example in modern Europe. Observing that two-fifths of the Danish people live in urban communities (half these in the metropolis) and that, while the separate agricultural holdings (over  $1\frac{1}{2}$  acres) number but little over 200,000, the rural households are between 350,000 and 400,000, omitting households of a single person, it will be clear that the proportion who work on land and with appliances which they themselves own can hardly be said to be dominating even though that form of exploitation be, in rural Denmark, the characteristic feature. It would appear that, to achieve Mr. Belloc's ideal, we should need to abandon most of the industrial developments in all communities, and that in achieving security of maintenance, the kind of maintenance would be very largely modified and that in an unfavourable direction in the main.

That the size of the book does not permit of a real discussion of the social problems mentioned in the successive chapters is obvious, and when Mr. Belloc, on the eighth page of his descriptive discussion of capitalism states that "There is no doubt that, in the balance, the disadvantages of capitalism have proved, even after its short trial, overwhelmingly greater than the advantages," he is propounding a view which Helen must accept or reject in the main as the result of the general impression he has made on her mind, as a person whose judgments may be accepted, or as one whose views should be critically examined.

The view presented, in a later chapter, of the degree in which banks control modern communities and of the existence of a universal revolt against their power and authority, partakes of the same character. A chapter devoted to "usury" also includes prophecy as to the nature of future events resulting from a revolt against the taking of interest on any loans used unproductively. The discussion of the problem does not include any examination of the probable restraint on borrowing for non-productive purposes which would follow from discrimination between loans on which a return of interest could be, and those on which no such return could be secured.

The final chapter on "Economic Imaginaries" is one of the most tempting in the book to the critic. There are useful ideas in the chapter, but it is doubtful if Helen would receive sound guidance in reading it as a part of an introduction to Economics at the age of 16. "If you find it too difficult leave it out," says the author. The last three words of that phrase contain sound advice.

A. W. FLUX.

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### VII

"MONETARY RECONSTRUCTION," by R. G. Hawtrey. (London : Longmans, Green & Co.) 1923 : vi. + 147 pp. 7s. 6d. net.

THE author of this book is among the three or four writers on currency problems in this country of whom it is literally true that their words shape the destinies of the world. In his brilliant *Currency and Credit* Mr. Hawtrey gave sufficient evidence of his analytical powers and of his grip upon currency history. In this book Mr. Hawtrey gives us the fruit of his reflections on current events in a series of essays which, bound together by an introduction, serve to bring out very clearly his characteristic standpoint, though the essays themselves were written at different dates between 1915 and 1922.

Mr. Hawtrey's system is distinguished by three main trends of thought : a belief in the gold standard, in the potency for evil of the credit structure, and in the corrective virtues of the bank rate of discount. He thus diverges both from the school of Mr. J. M. Keynes and from the school of Professor E. Cannan : for Mr. Keynes sees no virtue in gold, and Professor Cannan none in the discount rate as a corrective of the malignancies of credit. Mr. Hawtrey's system thus would appear as a compromise between the two extreme views just mentioned.

The present writer finds it difficult to be as optimistic as Mr. Hawtrey on the subject of the discount rate. The use of that rate clearly did not prevent aberrations of credit in pre-war days : else why did we have a credit cycle at all ? It is clear that an almost savage use of the discount rate did not stay the fall in the value of the German currency in 1923. The fact is that the conditions under which the discount rate *will* act as a deterrent have not yet been determined fully : in pre-war days gold saved the world from the worst excesses of credit instability : the post-war world witnessed the appearance of another safeguard : the tendency of populations to anticipate the future and thus force the throwing out of use of a rapidly depreciating currency. I will not go so far as to say that the discount rate plays *no* part now, or played *no* part in pre-war days, but what part it *did* play is still, to my mind, a matter of doubt. Mr. Hawtrey's own solution is bank rate is effective because "it is not the *past* rise of prices but the *future* rise that has to be counteracted. . . . As soon as the rate is high enough to offset the trader's hopes of future profits it becomes deterrent." The future looks less rosy when eyed in the light of higher bank charges. Now in pre-war days the rise in prices was in itself not likely to be great, in the short run, owing to the gold standard : therefore a small rise in bank rate might have had some influence. It is the presence of gold, rather than the deterrent effects of the discount rate, which have primarily to be considered. When a currency is divorced from gold, such deterrent effects can no longer be counted upon—hence the difficulties of managed currencies, difficulties which are

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great enough to cause Mr. Hawtrey to range himself against such a currency.

Mr. Hawtrey, the reader will perceive, has one great merit, apart from lucidity of style and of thought. He is provocative of argument : and a writer on currency who can stimulate his readers to argument deserves well of his generation.

T. E. GREGORY.

### VIII

"BANKERS AND CREDIT," by Hartley Withers. (Eveleigh Nash & Grayson, Ltd.)  
6s. net.

THE student of finance who has made the mental effort necessary to climb the Hill Difficulty of Mr. Hawtrey's elaborate expositions, and, profiting thereby, has passed through the Vanity Fair of Mr. Keynes' enticing theories, will welcome with a sigh of relief the straightforward simplicity of *Bankers and Credit*. Mr. Hartley Withers fully sustains his reputation for clear and concise writing, and the book is no whit less attractive in manner than its many predecessors. But in its matter it may prove to be the broad and easy way which will lead the student anywhere but to economic salvation. For the very lucidity of the argument lulls the critical faculty, and persuades the reader, as Mr. Hartley Withers has almost persuaded himself, that all our financial problems would disappear if only the pre-war machinery of the credit system could be restored and allowed to function without interference. The text is, in fact, the "return to normalcy" which was the watchword of the Harding Administration—

O that 'twere possible  
After long grief and pain  
To find the arms of my true love  
Round me once again !

The old machinery of the credit system was beyond doubt a beautiful piece of work, and it is admirably described in the opening chapter of the book. Excellent also is the discussion of the errors of war-time finance, though perhaps space might have been found to mention a few of the positive achievements of the Government and the City in this sphere. But it is a little inconsistent to object to the creation of bank credits against which "there would be no corresponding increase of goods to be bought" (page 45) and to point out later that the war showed us "how great had been the increase in man's power of production" (page 83).

The chapters that follow lead up to the author's conclusion that recent proposals for stabilization of prices by means of credit control

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are unnecessary, impossible, and dangerous. In lieu thereof, he again puts forward the claims of the gold standard. This conclusion stands or falls by the analysis of the causes producing the disastrous slump of 1920 and 1921. Mr. Hartley Withers repudiates the influence of Bank Rate, and pins his faith entirely to a world-wide "consumers' strike." It is here that we venture to disagree with him. He gives no sufficient explanation why Bank Rate should not have acted in 1920 as it acted in the many crises experienced before the war. The conditions were worse, and the remedy, and its effect, correspondingly more drastic. But was the principle different? Nor are we told anything about the origins or causes of the "consumers' strike," which savours dangerously of the adage, "If you can't find a cause for an economic phenomenon, call it 'psychological.'"

Mr. Hartley Withers makes much of the continued increase in bank deposits after the rise in the Bank Rate. The answer to this is well put in the recently issued Report of the Federal Reserve Board for 1923 (page 4): "The movement in the volume of credit at any given time, and particularly in times of business expansion, has a momentum which can not be immediately checked, and while the expansion is actively going on the movement tends to gain momentum at an increasing rate. The volume of banking credit in use and outstanding, as recorded in the statements of the banks, is the outcome of commercial plans and commitments which may antedate by many months the extension of credit by the banks. Business transactions which are already under way will ordinarily be carried to completion, quite irrespective of changes that have supervened in credit conditions and money rates. The rise in discount rates is not intended to interrupt or interfere with antecedent commitments that are in process of completion, but rather to induce a more prudent attitude on the part of borrowers with regard to new commitments. It requires, therefore, some time for a rate change to show its effects in the altered lending operations of the banks."

An examination of Mr. Hartley Withers' main arguments does not therefore convince us of the impossibility of stabilization through credit control. Nor are we persuaded that a return to the gold standard would render such action unnecessary. He himself suggests the contrary in his complaint of the ease with which politicians of all countries were able to debauch the beautiful instrument on which they laid violent hands as soon as the war started. If we merely return to pre-war ideas, the same thing may happen again. That is why we need an intelligent policy, of which gold should be the servant rather than the master.

No doubt it is true that there are dangers in attempting to achieve such a policy, but the worst danger is political interference, from which no system is secure. It is not too much to hope that criticism and discussion will remove such other weaknesses of stabilization as they

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may detect. Towards this end, Mr. Hartley Withers renders valuable service.

It may be added that the book has dealt faithfully with many of the less sound projects that have made their appearance in the last few years. It is a tribute to the author's powers of exposition to say that he has made some of them appear intelligible, if not reasonable.

E. ROWE-DUTTON.

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#### IX

"PRINCIPLES OF INDUSTRIAL WELFARE." By John Lee, C.B.E. (Sir Isaac Pitman & Sons, Ltd.) 5/- net.

MR. JOHN LEE's book should be read not only by all who are interested in Industrial Welfare in the narrower sense of "Welfare Work," but by those who desire to promote industrial well-being in the broadest sense and who seek a solution of the problem of industrial unrest which is gnawing at our vitals.

Mr. Lee claims that *Principles of Industrial Welfare* is a pioneer book in that it breaks new ground. "There are," he says, "many books which deal with the practice of industrial welfare. I do not know any book which has attempted to discover the underlying principles, to analyse the various efforts which can be grouped under the heading of welfare methods, or to correlate the movement to its position in the history of industrial development."

Possibly this claim is open to question, but it is undeniable, I think, that everyone who is interested in the subject of which he treats can draw inspiration from his book.

Slowly, imperceptibly almost, the point of view both of employer and worker has changed in regard to the principles underlying industrial organization.

In the earlier days of the industrial revolution emphasis was laid upon freedom of contract. Both employers and employed, it was said, must be free to strike what bargains they pleased, and the unhampered action of the laws of supply and demand was regarded as the ideal to be aimed at. But it was not long before Parliament was forced to intervene in defence of the weak. The necessity for such industrial legislation is now generally recognized, though I, for one, think that the pendulum has swung too far and that too little scope is now left to individual initiative and enterprise. But side by side with the recognition of the principle of State intervention limiting individual freedom of contract there has developed—and is developing—a stronger feeling of moral obligation. There is a growing recognition, in Mr. Lee's words, "of the

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fact that the rôle of the employer does involve definite responsibilities other than the payment of a standard or legalized wage"; that the cash nexus is a wholly insufficient bond between employer and employed; that the employer has some responsibility for the lives, the education, the leisure, the health, the happiness of his employees. Is there not also a growing perception on the part of the workers—that they too have—or should have—some further responsibility towards the industry in which their lives are spent than the mere work for which they are paid? They too are responsible in a measure for the welfare of the body corporate of which they form a part, and industrial welfare work has been developed as the practical expression of these new tendencies. As yet the movement is in its infancy. It may be, as Mr. Lee suggests, that it will modify industrial structure, and discover within the bounds of private ownership the direction in which we shall find a solution for the central problem of our time. Or it may be that it will fulfil some less ambitious purpose. But one thing is certain. Its success depends on the motive by which it is inspired. If this motive is genuinely altruistic; if welfare work is undertaken both by employers and employed for the purpose of promoting "an expansion of human character, a growth in kindness of outlook, a desire for justice in reward, and an advance in the amenities of life for all classes as a whole," then it is certain that good results will follow. Welfare work can never be a substitute for industrial organization or management; nor should it be undertaken with the primary object of increasing efficiency. Increased efficiency will no doubt follow as the result of greater harmony and goodwill, but that greater harmony must be regarded as an end in itself, not as a means to an end.

Again, welfare work must not be super-imposed from above; it must be encouraged, but not directed by those in authority. Mr. Lee has many valuable suggestions to offer on this and other subjects which are of interest to the welfare worker. His book is a welcome addition to our knowledge on the subject of welfare work and his enthusiasm will be found to be contagious.

W. L. HICHENS.

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### X and XI

(1) "ECONOMICS OF FATIGUE AND UNREST," by P. Sargent Florence, Ph.D  
(Published by Allen & Unwin, Ltd.) Price 16s. net. (2) "TWO STUDIES ON  
REST PAUSES IN INDUSTRY." Report No. 25 of the Industrial Fatigue Research  
Board. (Published by H.M. Stationery Office.) Price 1s. 6d. net.

"WE manufacturers are always perfecting our dead machinery, but of our living machinery we are taking no care." Since Robert Owen, a striking exception to his own generalization, wrote these words, much has been done by the efforts of the State, of pioneers like Owen, and of agitators, to show that in industry the ways of economy and humanity often coincide. And, though the pre-war "scientific management" was often unscientific, there had been since the end of the last century a growing recognition that the detailed study of the facts of industry in their relation to human beings was more than either a hobby or an unwarrantable interference with individual liberty. The War may be said to have established such work in the position of an honourable profession demanding the very highest scientific capacity.

Dr. Florence has done notable work in the field of enquiry of which he now attempts a general survey. His excellent book puts all who are interested under a greatly increased debt of gratitude. It is important that he not only makes use of all the important researches, but strives to relate the psychological and other facts thus obtained with the question of economic efficiency. Clearly the difficulty of his labours was increased by the variety and the inadequacy of much of the material, and by the subtleties inherent in much of the subject, and he is often content with the mere suggestion of probable or possible conclusions, or the affirmation of the need for further investigation.

The first part of the book is devoted to a logical statement of the distinctive features of modern industrialism, which includes an analysis of what is commonly known as the labour problem, and of the solutions popularly canvassed for this problem. Particular points are open to criticism, for example, the statement that the competition of businesses in modern industry is indescribable in any but military terms. An interesting feature is the information, based upon the author's own researches, as to the proportion of workers actually engaged upon machines in a modern factory ; this he shows may be much smaller than is commonly thought. Dr. Florence has no specific to offer as a cure for all the troubles which centre round the question of control. He emphasizes the importance of what he calls *informed* joint control, and his remarks on this question may be of value to, among others, members of the Whitley Councils in the public services ; there, as elsewhere, it might be an economy if independent scientific investigation preceded the joint discussions of certain subjects.

The second part of the book begins with a discussion of the nature

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of the economic costs underlying the various labour inefficiencies later studied in detail under the headings of turnover, absence, deficient and defective output, accidents, and ill-health. The author's opinion of the difficulties yet to be surmounted in arriving at an adequate measure of economic gains or losses may be seen from the following paragraph—

Thanks to the devotion of Economics to pure theory and the secrecy which business men insist on when costs—and profits—are in question, it is at present impossible to tell in any single industry, in any single factory, or in the production of any single article, what proportion of the total cost is constant, what proportion balances and offsets losses, and what proportion is modifiable. All we can do is to quote the opinions of business men.

Nevertheless, Dr. Florence endeavours to indicate wherever possible in relation to each of the already mentioned subject headings, the cost of each unit of loss, the average loss in various American and English industries, the minimum loss economically unavoidable, and the variations in specific industrial conditions which might be made to prevent losses in excess of the unavoidable minima. The evidence as to turnover is not sufficient to allow of a satisfactory comparison between conditions in America and in this country. Some of his figures for American men are sufficiently high to make one suggest that something may be due to the comparative absence in America of standardized rates and conditions; only to suggest, however, since what English evidence regarding men exists is not very reassuring, and there are Dr. Florence's mild gibes at theory and insistence on the necessity for considering each of a multiplicity of causes. Among the interesting statistics are those relating to turnover and absence respectively, with such physical conditions as noise, bad air, muscular strain, eye strain, night work, and bad lighting. The possibility of securing an increase in the hours worked by means of a decrease in the working hours may be noted.

Many readers will find the most interesting chapters of the book to be those in which results are given for the effects upon quantity and quality of output, accidents, and sickness, of such circumstances as hours of work, methods of payment, and physical environment. For it is perhaps in the accumulating evidence of regular alternations of activity and relaxation in the life of the worker that there is to be found the most convincing proof of the value of modern researches. This is a fitting place at which to refer to the two studies on the effects produced by the introduction of rest pauses into spells of work which together form the latest report in the remarkable series issued by the Industrial Fatigue Research Board. These studies will enable the reader better to appreciate the difficulties involved in the method of investigation which has been employed in arriving at many of the results upon which Dr. Florence attempts his synthesis. Further, the adoption of rest periods in spells of work is still very unusual in this country, and the results obtained in

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these investigations appear to be of great importance, probably of much greater importance than the Board, actuated by true scientific caution and modesty, care to claim. It is to be hoped that there are many employers endowed with the necessary patience, scientific, and social or self-interest, to ensure that the further experiments desired by the Board are made on an extensive scale. These and other studies indicate that on much light repetitive work the introduction of suitably chosen rest pauses is likely to lead to an output which is greater than that secured in the longer working period containing no rest periods, with an increase of comfort to the workers. That there is abundant scope for further experiment is indicated by the differences, found in these necessarily limited investigations, between work in which the human and work in which the mechanical element predominates, between the effects on the slow and the fast workers respectively, and between different distributions of the rests.

In the final chapter of Part II of his book, Dr. Florence gives an illuminating discussion of the significance to be attached to fatigue and unrest respectively, and emphasizes the need for more investigation in any possible form of industrial organization. He shows a sympathetic understanding of the influences that may produce industrial unrest, only one indication among many being his reference to the reason given by one of the strikers against the twelve-hour day in the American iron and steel industry—the fact that he had never got to know his little daughter who had died a few months previously, and his determination to know the other children. This is fortunate, for perhaps more than scientific acumen is needed here. Fatigue is a subtle enough conception ; and as for unrest, this may be held to shade over into growing pains which are not to be gauged by scientific measure. The difference appears to be reflected in the comparatively rather discursive treatment of unrest.

For some readers of this JOURNAL both Dr. Florence's book and the studies of the Research Board's investigators will have a particular interest, because their duties bring them into touch with industrial conditions, or because they may have opportunities of making tests in their daily work ; there must be much work in the public services upon which detailed experiments could be made. Even for those not included in either of these classes there may be suggestions, for example Dr. Florence's references to methods adopted in industrial enterprises for bringing home to the individual the significance of his work in the whole process of production. Finally, these studies may induce speculation as to the possibilities of the corrective action of independent investigation in matters of internal organization in public departments ; they suggest that industry is rather slow in ascertaining much that is to its own and the public interest, and there is no very strong reason for

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assuming that the controllers and the controlled in the public service are less blind to their own defects than are employers and workers in private industry.

The one considerable objection to Dr. Florence's book is its price. The number of students, employers, trade union officials, administrators, and politicians to whom the book should be made accessible is very large.

ROBERT WILSON

### XII

"SOCIAL INSURANCE UNIFIED AND OTHER ESSAYS," by Joseph L. Cohen, M.A.,  
*Member of the Advisory Committee on Social Insurance of the International  
Labour Office.* (London : P. S. King & Son, Ltd.) 5s. net.

THIS collection of essays appears at an opportune moment, seeing that so many schemes for the co-ordination and extension of the various forms of social insurance are in the air, and that Parliament may be called upon at an early date to consider Government proposals on the subject. Indeed, as the author admits in the preface, the impending discussions are responsible for the somewhat hasty preparation of the volume, some traces of which are evident in its pages.

Mr. Cohen, in dealing with a subject which is peculiarly his own, urges that a comprehensive system of insurance against the main emergencies to which the wage-earner and his family are subject is a necessary supplement to the policy of securing a minimum standard of earnings and working conditions. He points out certain inadequacies in the statutory systems of Workmen's Compensation, Old Age Pensions, Health Insurance and Unemployment Insurance as they exist at present ; he enlarges on the anomalies arising from their administration as separate schemes ; and he puts in a powerful plea for giving pensions to widowed mothers and orphans, as the most urgently needed extension of social insurance. His arguments are reinforced by useful references to recent legislation in other countries.

But what will especially claim the attention of students of public administration is the method by which it is proposed to administer a unified scheme. Mr. Cohen is all for direct administration by the State, albeit with the assistance of advisory bodies representing the interests concerned. He is unsparing in his castigation of the Approved Societies functioning under the Health Insurance scheme—although his charges appear to be directed to their very existence as independent bodies and to the vested interests which they represent, rather than to any definite failure to carry out their duties—and still more of the insurance companies dealing with workmen's compensation and industrial life insurance. In fact, he argues throughout on the analogy of the administration of unemployment insurance through employment exchanges, with which he has little fault to find. After examining and condemning the various

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systems, or proposed systems, of administering unemployment insurance otherwise than through State agencies—which are generically described as insurance by industry—he concludes that direct administration by means of State machinery similar to that now in operation is the only feasible plan of dealing with unemployment insurance. Although most of his readers may agree with him in this, some of them will hesitate to follow him when he proceeds to apply this conclusion to all other forms of social insurance. He visualizes the employment exchanges as transformed into local social insurance offices which would be found in every town and village and which would deal with all branches of the unified scheme. But some may doubt whether small and widely scattered units of this kind would be competent to grapple not only with the task of finding workers to fill employers' vacancies, placing unemployed workers in employment and testing the validity of claims to unemployment benefit (for which the exchanges are primarily designed), but also with the intricate administration of sickness benefit, maternity grants, and the various ancillary benefits which would be comprised in health insurance, not to mention the miscellaneous work which would arise in connection with widows' pensions, old age pensions and burial insurance. To say the least, Mr. Cohen presupposes a capacity for encyclopaedic knowledge which is flattering even to the modern Civil Servant. Moreover, it is not clear what part, if any, the local offices would play in the preventive work which is to form so important a function of the new social insurance department. That department is to devote itself to devising and enforcing measures for preventing industrial accidents, improving the workers' health and increasing their longevity, securing the better care of young children and promoting greater regularity of employment. Apparently some other local machinery, directly or indirectly controlled by the State, would be inevitable for this purpose.

Further, the proposal to institute direct administration by the State on the scale suggested in these essays raises an issue of fundamental importance. Even if it be granted that employment exchanges are reasonably adequate for their present purpose and that they are administered at a cost which is perhaps not extravagant, the alternative system of voluntary associations working under State control, which is represented by the Approved societies, is not without its supporters. Such a system gives expression to the tradition of voluntary or local effort which is ingrained in the people of this country, and although its advocates will not claim that it is an ideal of perfection as at present administered, it does not follow that it should be relegated to the scrap heap without an attempt to improve it in the light of experience. It is true that Mr. Cohen contemplates the existence of advisory bodies with important functions, but beyond indicating that committees of employers and employed would deal with appeals against the decision of the insurance

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officer (presumably in relation to unemployment benefit), he has not yet elaborated this vital part of the scheme or suggested what bodies would be required for the various aspects of social insurance or what their constitution and duties would be. It should be noted in passing that no place in the scheme seems to be given to local elective bodies as such or to *ad hoc* authorities such as the present insurance committees.

In urging the substitution of State agencies for insurance companies which are at present concerned with workmen's compensation and burial insurance, Mr. Cohen presupposes at the outset that the new scheme would be compulsory upon all wage earners and their employers. But he is immediately faced with the almost prohibitive cost of compensating these bodies for the loss of their vested interests, and in order to avoid this problem he suggests that the State might begin by entering into competition with them, with a view to their gradual elimination. On this plan the worker (or his employer) would have the option of using the social insurance office for purposes of burial insurance and insurance against industrial accidents, but would be under no compulsion to do so. Such a compromise at once introduces complications which, in the minds of many engaged in the practical work of administration, would tend in a large measure to destroy the simplicity which is desired. Taking the example of burial insurance, if the device of stamps and cards is adopted for collecting contributions, it would probably be impracticable to use the same cards as for the compulsory portions of the scheme, since the onus would be thrown on the employer of discovering which of his workers were contributing; and if the initiative rested with the worker of paying his contributions at the social insurance office, either in cash or by means of a stamped card, it is questionable how far the State could compete successfully with the agents of insurance companies.

It is, however, hardly legitimate to criticize Mr. Cohen's proposals as if they formulated a final scheme complete in all its administrative details. He is no doubt concerned rather with presenting the main outlines for consideration, as indeed is evident from his plea for a Royal Commission to elucidate the facts and to work out a practicable solution. Regarded in this light, his book should provide useful material for our legislators and much food for thought on the part of our administrators.

### XIII

"THE BRITISH TRADE BOARDS SYSTEM: AN INQUIRY INTO ITS OPERATION," by Dorothy Sells, Ph.D. (P. S. King & Son.) 12s. 6d.

A BOOK upon the working of the Trade Boards system was overdue. The first Trade Board was established in 1909, and there are now sixty-three Boards in Great Britain and Ireland prescribing minimum rates of wages for 3,000,000 workers. Yet notwithstanding the recent enquiry

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of the Cave Committee little is known of the Boards or of the social and industrial results which may be attributed to them. Dr. Sells' survey therefore adds to its other merits that of being opportune. Its publication on the eve of the resumption of the policy of establishing Boards in trades with defective organization, which was suspended at the beginning of the industrial depression, should ensure it widespread attention.

Dr. Sells distinguishes between the pre-war and post-war activities of the Boards, and since in this distinction is to be found the clue to the recent criticism of them, she might justifiably have made more of it. The distinction is of great importance. The Trade Boards Act, 1909, derived from the Anti-sweating Legislation of the colony of Victoria, and its object was to remove evils connected with the payment of "exceptionally low" rates of wages. Boards created under this Act prescribed minimum rates of wages for young persons according to age, a single minimum rate for adult men, and a single minimum rate for adult women. The success of these Boards was unquestioned and is emphasized by Dr. Sells. Their minimum rates of wages were no doubt austere (they have been jocularly called *miniature* rates of wages), but nevertheless they involved substantial increases in the earnings of the worst paid workers, and eventually, as the higher wage rates in the trade adjusted themselves to the new minimum, some degree of improvement for workers generally. Moreover, since these Boards legislated in few and simple terms their determinations were relatively easy to enforce, and questions of scope, that is questions as to the commodities, processes, and persons falling within the jurisdiction of any Board were much less serious than they have since become.

Another feature of importance in the work of the pioneer Boards was that owing to the modest character of their minimum rates there was not a strong demand for a variation of these in favour of employers in the smaller towns and rural areas, and the rates, without much controversy, were "flat" for the whole of Great Britain.

The Trade Boards Amendment Act of 1918 had a different origin and intention. It was the product of the report of the Reconstruction Committee on Industrial Relations and of the situation created by years of regulation of wages during the war. Its object was to widen the scope of the Trade Board so as to equip it to become an organ of industrial self-government. After 1918 the Boards include few members who are not representatives of the employers' association or the trade union, and they tend to concern themselves less with minimum rates based upon the generalized human needs of men and women as such, as with "grade" or "occupational" rates, embodying an estimate of the industrial value of the groups of workers to whom they apply. It will be seen that such a departure raises many questions and creates or aggravates many difficulties. For example, should the "appointed members," who at present

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decide differences between employers and workers by voting with one side or the other, use their power to fix "grade" rates, and should these rates, when fixed, be imposed on employers by the force of the criminal law? Again, it is obvious that the administration of a schedule of rates, "trade union" or "standard" in character appropriate to the several groups of workers, is a different task from that of administering a single rate for workers as such. It is further to be noted that where rates are numerous and relatively high "scope" questions are of greater importance, while the demand of the smaller towns and rural areas for treatment nicely adjusted to their special conditions becomes as irresistible in theory as it is in practice hard or impossible to grant.

The question of the propriety and wisdom of the development in the functions of the Trade Boards is the underlying issue in all recent discussion of their work, and Dr. Sells throws much light upon it. With her conclusion, which is generally in favour of the development, most of those who are connected with Trade Boards will agree. The fact is, the policy of fixing a generalized minimum in any trade is satisfactory only in the absence of organization among employers and workers. When this organization appears it necessarily alters the attitude of the Trade Board and renders futile the fixing of a rate based upon an abstract estimate of human needs. Sooner or later both employers and workers will desire to use the machinery of the Board to deal with the problems of the wage question in its practical form and the difficulties to which this decision will give rise have frankly to be faced if Trade Boards are to continue to exist. As to whether Trade Boards should or should not continue Dr. Sells is decided. On most of the counts on which the Boards have been impugned her verdict is not guilty. While she admits that the Boards, by fixing rates of wages higher than those to which particular trades were accustomed, have added to unemployment, she believes that this unemployment is not of large dimensions and is temporary. She holds, and gives ample evidence for holding, that on balance the Boards have been and are of great value in raising wages which were inadequate, restricting "unfair" competition, promoting organization among and sweetening the relationship between employers and workers, and lastly in leading to increased industrial efficiency and modernizing of plant. For what is defective or unsatisfactory in the Boards she proposes remedies with which it is not necessary to agree. That she is right in holding that remedies can be found there ought not to be any question.

J. J. MALLON.

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### **Local Government**

#### **XIV**

"THE LOCAL GOVERNMENT OF THE UNITED KINGDOM," by John J. Clarke, M.A., F.S.S., of the Liverpool University. (Published by Sir Isaac Pitman & Sons, Ltd., 1924. Second Edition.) 7s. 6d. net.

THIS book is ambitious in its scope. It attempts, within the compass of some 400 odd pages, a survey of the whole range of local government not only in England and Wales but in addition (and of course in less detail) in Scotland and Ireland. It is an amplification of the author's *Outlines of Local Government*, which has been sufficiently read to justify five editions since 1918.

The appeal of the book is no doubt mainly directed to the general reader and members of local authorities, but the claims of students and administrators have not been overlooked in this enlarged edition. It cannot be said, however, that the book is likely to commend itself to the professional administrator or, indeed, to the student who desires much more than an introduction to the subject. The book is pre-eminently suited to the needs of the embryo official, councillors and unofficial persons interested in the various aspects of social service connected with local government. It is with this class of reader particularly in view that the author intersperses an almost inevitably dull and unrelieved textbook style with exhortations to civic enthusiasm and devotes two admirable chapters to "Suggestions to members of local authorities" and "Social service."

It is, indeed, in the realm of practical suggestion and encouragement to those beginning to take an interest in local affairs that Mr. Clarke's book will be found most useful. Some of the suggestions are counsels of perfection (as, e.g. that councillors should make themselves familiar with all new legislation affecting local authorities—page 434), but they need stating none the less.

The general arrangement of the book follows fairly well accepted lines—a chapter on the development of local government (one would have wished the historical part, which is vital to the understanding of English local authorities, were more developed), a chapter on the central departments, separate chapters on the main local authorities and the justice of the peace, then rather stolid chapters on the various subject matters of local government and special, but inevitably sketchy, chapters on London, Scotland, and Ireland.

One feels constrained to quarrel with the author in the matter of the allocation of space. Education is admittedly an important subject (though less typically "local government" than other less important

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matters) but it takes up as much space as Housing, Town Planning, Adoptive Acts, Municipal Trading and Police put together. Again, in the chapter on Housing, thirteen out of twenty-four pages are taken up with a rather uninteresting résumé of the detailed provisions of the Housing Act, 1923, a measure which is likely in the near future to sink into comparative insignificance. The amount of space devoted to the Unemployed Workmen Act, 1905, is out of all proportion to the present practical importance of the Act.

The book fails to draw proper distinctions between purely local government functions (e.g. highways, public health, rating), partial local government (e.g. education and poor law, where the central departments are as much as if not more the deciding factor than the local authorities) and functions which are either not at all or only remotely "local government" (e.g. labour exchanges, trade boards, Unemployment Insurance, the approved society side of National Health Insurance). This failure is responsible for an undue attention to the last named functions : in a book devoted to local government, as such, details of these functions could well be reduced and greater space given to the others or devoted to discussion of general principles.

Indeed, greater attention might have been directed to general principles. Too much room is occupied by bare and uninteresting recitals of the purport of individual sections of Acts of Parliament. This method has obvious disadvantages—repetition, dullness, and inaccuracies of paraphrase, from all of which the book suffers. Much of these defects could be avoided by a more general treatment of subject matter and by references to readily accessible official memoranda and Government publications.

The author believes in "freedom for local authorities under sound principles which develop responsibility." But this ideal does not blind him to the need of a proper system of central control designed to foster that responsibility. Though a "local authorities' man," he indulges in no gibes at the expense of the "bureaucrat." This fairness may spring from his general goodwill towards all officials whether local or central.

This book, while it does not speak "with the voice of authority" or pretend to be a constructive contribution to the study of the principles of local government, deserves to be read for its practical common sense and comprehensive information.

A. E. J.

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### XV

"**ORGANIZATION AND ADMINISTRATION OF THE FINANCE DEPARTMENT,**" by William Bateson, A.C.A., F.S.A.A. (Sir Isaac Pitman & Sons, Ltd.) 7s. 6d. net.

THIS book has been published at a most opportune time, when the question of financial control is receiving special consideration by many local authorities, the scope of whose activities has been so enlarged in recent years. The interest taken in the matter is well exemplified in the April number of the *JOURNAL OF PUBLIC ADMINISTRATION*, which reproduced a number of lectures and speeches on the subject of financial control delivered recently before the Institute by well-known experts.

Mr. Bateson, than whom no one is better qualified to deal with the matter, has treated his subject in a most thorough and detailed manner, and makes many suggestions which will be found of much assistance by members and officials of local authorities.

The opening chapter deals with the qualifications and duties of the Chief Financial Officer, and is followed by a chapter containing suggested model standing orders regarding the duties of a finance committee. Other chapters deal with the preparation and submission of the Rate Estimates ; and the organization and duties of the office staff. A chapter is devoted to the systems of audit imposed by statute, and the question of internal audit is also dealt with. The latter is a matter of great importance which unfortunately does not appear to receive from many local authorities the attention which it deserves.

In Chapter XI Mr. Bateson deals with the difference between a "consolidation of local rates" and a "combination of local rates" for the purpose of economy in rate-making and collection, laying emphasis on the point that while statutory authority is required for a consolidation of local rates, a system of joint collection can be secured without resort to legislation. While the advantages of consolidation are undoubtedly, local authorities in general will hesitate to incur the expense involved in obtaining consolidation powers by a Private Act of Parliament. Pending general legislation on this subject, there is no reason why local authorities should not secure the advantages of administration and the economies which should normally result from a combined rate-collection, a system which it is understood is regarded favourably by the Ministry of Health.

The two final chapters in the book, written by Mr. Harold Greenwood, a member of Mr. Bateson's staff, deal with the levy of Local Taxation and Road Fund Licences and are of particular interest. To keep a proper control over the issue of licences, particularly in the case of those for mechanically-propelled road vehicles is no easy matter, and the information and the suggestions contained in these chapters meet a real demand on the part of those on whom is imposed the duty of dealing with the issue of these licences, and Mr. Bateson is to be congratulated on having incorporated these chapters in his book.

S. W.

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### XVI

"**LOANS AND BORROWING POWERS OF LOCAL AUTHORITIES,**" by J. H. Burton.  
(Published by Sir Isaac Pitman & Sons, Ltd.) Price 7s. 6d. net.

THIS book shows on the face of it the indebtedness of its author to the Institute of Municipal Treasurers and Accountants. The Institute, by its lectures and meetings, its examinations, and its *Circular*, not only promotes a high standard of knowledge and practice among its members, but also puts the newer thoughts and later developments in the subjects with which it deals freely at the disposal of all, and without it books of this kind would be difficult to write.

The book is a short one, and necessarily deals only in a summary way with a good many matters which to be fully understood require to be handled at some length. But within its limits proportion is fairly well observed, and the author has resisted the temptation to fill it up either with extracts from statutes or with statistics of local indebtedness. It is a business-like book, useful to those who are in the business or are going into it ; not very informing to persons outside whose interest is of a more general character, or who are otherwise unacquainted with the technique.

There is an interesting chapter on the advantages and disadvantages of the various methods of borrowing. It brings out very clearly that there is no one method superior in all circumstances. They all have their *pros* and *cons*. Sometimes both are due to the same cause. In one of these cases the author has inserted the *pro* but omitted the *con*. He notes among the advantages of mortgages (page 42) "May be redeemed (where terms permit) and replaced at lower rate of interest when market is favourable." But there is a correlative to this which he has left out. It might be expressed in such words as "Must be redeemed when terms require and replaced (where necessary) at higher rate of interest when market is unfavourable." It is better to realize that there are risks. A corporation, e.g. which has 6 millions of its debt in the form of stock and 28 millions in short-term securities may be financially sound : it probably will be : but it is giving hostages to fortune.

The author is somewhat embarrassed by the want of a clear and uniform meaning in some of the chief words used in the subject. For this he is in no way responsible. The term "loan" itself has a different significance according as one looks at the lender or at the purpose to which the money is applied. This may be seen in connection with the words "period of the loan." This may mean either the period for which the lender is willing to lend his money or the period assigned for the repayment of the loan by the Act or sanction which gives the borrowing power. The same ambiguity affects the word "reborrowing." The author is not guilty of any confusion on the point, but in fact the meaning which he assigns to this word is not that which it is usually given.

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A much abused word is "consolidation." The author has a chapter on the "consolidation and equation of debt," and another on "consolidated loans funds." The word is consecrated by usage in both cases, but it means very different things.

In the former chapter it means amalgamating loans raised under different borrowing powers into one loan. With regard to this operation, the author says that it is possible to consolidate debt without equating the loan periods and vice versa. It is not easy to see, however, how loans having differing periods can be amalgamated. On the other hand, it is certainly possible to equate the loan periods without consolidating the loans, and this is often done. As regards the equation of periods the author states its advantages, and perhaps overstates them. But there are also very material objections of which he says nothing. The initial objection is this, that there is no fundamental logic in equation at all. It is a mere mathematical device. If a loan for a town hall has sixty years to run because that is the estimated life of the work, and a loan for a market twenty, there is no reason in the nature of things why they should be tied together and the period for the former curtailed and for the latter extended. They both of them have in future an inappropriate period. And that leads to a further objection. What happens if the market loan (to take the above example) by reason of its extended period out-lives the life of the work and a fresh loan is wanted before it is paid off?

In point of fact, a good many treasurers are not attracted by equation schemes, and the powers contained in local Acts of making such schemes are often not acted upon.

The other form of "consolidation," viz. the pooling of the sources from which the loan moneys are taken, is much more valuable. It began with stock debt, then was applied to mortgage debt by the adoption of a common form of mortgage applicable in all cases, and the latest development is to combine stock and mortgages, along with certain other moneys, in one pool. This latest phase presents some difficulties of its own, but is regarded with enthusiasm by those who believe in it, and there are indications that the author is to be numbered among them. But he submits to the restraints of style and space.

E. H. RHODES.

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### Administration in India

#### XVII

"CASTE AND OUTCAST," by D. G. Mukerji. (J. M. Dent & Sons.) 10s. 6d. net.

ONE'S first impression, on dipping into this remarkable book, is that Mr. Mukerji has been playing a practical joke upon his publishers. Whimsical, paradoxical, over-coloured, his story has the air of a *jeu d'esprit* rather than a slice of sober autobiography. Closer reading, however, reveals a typical product of the mind of young Bengal—that curious mind which can be responsible simultaneously for the Gitanjali of Tagore and the bombs of the Maniktolla garden. In his administrative work to-day, whether at home or abroad, the Englishman encounters many new and puzzling types of mental outlook ; and in this story we have the expression of a philosophy of life with which we have seriously to reckon in India and which is far from easy to handle from our Western standpoint.

The book describes the childhood, youth and early manhood of the author, a Brahman of a priestly family in rural Bengal. Its first part, "Caste," takes him through his opening years of strictest orthodoxy. Educated at home, except for a year or two at a Presbyterian school, he was initiated into the priesthood at the age of 13, and then went off on pilgrimage, with his staff and begging-bowl. From this he returned home to serve the temple in his ancestral village ; but death thinned his family and restlessness seized upon him. He wandered to Calcutta, in search of a university education ; and thence a travelling scholarship took him to Japan, to study industrial machinery. Growing disgusted with the Japanese factory life, he drifted to America and entered the University of California. The second part of the book, "Outcast," narrates his experiences in the States, while he worked for his degree at Berkeley and earned his living meantime by domestic service during his terms and by agricultural labour in his vacations. He seems to have dropped engineering ; for after graduating he took to lecturing on comparative literature ; and there we leave him, with his face once more turned toward the East. How he got back to India and recovered caste, he will probably tell us in another book ; and we can only hope that it will be as interesting as this one.

The volume is a study in fierce contrasts, symbolical in the Hindu mind of the indescribable difference between the sheltered sanctity of caste and the degradation outside it. The beauty of home-life in Bengal is set off, like a benediction, against the squalor of the under-world in America ; the profundity and delicacies of Hindu thought against the charlatanisms of the West ; the calm and silence of India against the noise and hustle of the States. Both sides of the picture are intentionally overdrawn ; but the Indian half is made extraordinarily attractive.

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There are delightful sketches of the fragile Hindu mother, ruling her family in gentleness by "the primal wisdom of the race"; of the little sister, whose amusement was to model toy gods of clay and burn incense before them; of the lawyer father, who became a wandering minstrel in his vacations; and of the grandfather, with his quaint extempore answers to the children's questionings. Of the Hindu mind the account is lyrical, relieved with touches of dry humour; but the dominating note is the constant interlacing of life with religion, of the seen with the unseen, of time with eternity. Passage after passage throws a flood of light on the Hindu concepts of existence. Here are two examples. Speaking of Benares as a city more ancient than Rome, and yet with no history, Mr. Mukerji says—

History is the record of man's relation to time, but the Hindu does not believe in time, and all our life, according to the Hindu's vision, is an illusion and something to be transcended. You do not write the history of a dream, you wake up from it.

Then about a brilliant fellow student he quotes the verdict of a master—

That boy sees things so clearly that he is like a blind man in a dark room who will always find his way out, whereas the secret is to sit still in the darkness and let the Lord come and find you.

If the life of Hindu Bengal is painted in golden hues, Mr. Mukerji dips his brush in gloom when he turns to American life. He clearly saw only its seamiest side. By turns washing dishes in a boarding house for ten dollars a month, passing round the hat for a Socialist street-corner orator, sharing one bare room with two starving anarchists, planting celery under a drunken Italian foreman, he has little that is good to say of his experiences. And yet he concludes in eulogy, with that inveterate synthesis of the irreconcilable in which Hindu philosophy revels—

America's tradition is her future. A Hindu who bears the weight of forty centuries of tradition, is drawn by no country as by America. Europe cannot attract a Hindu. It is not old enough to be benign, nor young enough to be blessed. . . . A supreme desolation is America's, and this desolation is as alluring as that of the Himalayas. . . . In America man is what he is in Asia; he is, as he ought to be, an episode in the life cycle of a continent. . . . Both India and America are mad. India has been mad with peace, and America is mad with restlessness. It is this madness that has drawn me to them both. Europe is poor fare for my hungry Hindu soul. I want the fecundity of America. I cannot live twenty-hour hours a day. I want to live two days in one.

It is not given to all, however, to moralize thus in the abstract. The Pacific coast has for years been the forcing-ground of Indian revolutionaries, and the author mentions batches of young Hindus as coming over in 1912, clamouring "to cut the throat of every English official," and full of "plans to blow up garrisons of English soldiers." For this sort

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of crop there can be no more fertile soil than the mixture of physical misery and intellectual insanity in which young Mukerji was planted. In his case the saving grace of humour came to the rescue ; but it is appalling to think of the thousands of Indian youths whose minds are permanently poisoned by the gospel of anarchy, apparently unchecked and uncountered, which is part of their American education. We have already had disastrous proof in India of how the poison is working.

Yet what is even more disturbing than revolutionary propaganda is the revelation in this book of the estimate that orthodox Hinduism forms of our administration and its ideals. We have never been blind to our foibles and defects. We have made plenty of mistakes in India, and we have trodden hard enough on Indian susceptibilities. To one credit item, however, we have always clung—the belief that we have brought justice to India, material prosperity, the reform of her ancient ills. No, says our Brahman, all this is illusion and self-deception. No human being can do justice ; material wealth is merely "gregarious gluttony," which must be fought and overcome ; and the whole culture of India "seeks not to reform the finite, but to inform it with the infinite." Attacking, as it does, the moral basis of our work in India, this attitude of mind is far more difficult to combat than methods of violence, and in consequence, it is being sedulously cultivated by the anti-British interests in the country to-day. India, we are told, is being exploited in the name of British liberty ; until we go, India cannot recover her soul ; in all that we have done or attempted, there has been no service to India, but only a tightening of the fetters which bind her spirituality to the modern barbarism of Europe.

The fundamental conception underlying all these negations is of course far older than British rule. It is the offspring of an archaic tradition, bred in the exclusiveness of India's geographical isolation, and then ossified by the pressure of the Mahomedan invasions. As a theory of practical life, it was thoroughly and finally discredited by the chaos in which we found India ; but now with bloodshed at an end and security restored, it raises its head again and becomes a weapon of some power in the hands of the malcontents who demand release from the British connection. The common sense of India would repudiate it, if the common sense of India could only be induced to make itself heard. Meanwhile it is impossible for us, in the daily work of administration, to ignore the frame of mind which Mr. Mukerji describes. It is so foreign to our outlook, so paralysing to human endeavour, that it makes a heavy call on our tolerance and patience. We can only hope that, with its growing political responsibilities, the mind of India will take a more practical and a more generous view of what we have given, and are prepared to continue giving, to the country.

MESTON.

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### XVIII

" REPORT OF THE ROYAL COMMISSION ON THE SUPERIOR CIVIL SERVICES IN INDIA."  
(H.M. Stationery Office.) 5s. net.

THE report of Lord Lee's Commission commends itself by its brevity, its unanimity<sup>1</sup> and the fact that it contains an excellent index. It embodies decisions which (in the words of one of the Commissioners) "it supports by only a limited amount of reasons and arguments." There is no record of evidence, since the majority of the witnesses preferred to appear *in camera*. But the appendices throw a flood of light upon the mental processes which led to some of the conclusions. In days when political or racial bias is apt to darken counsel, unanimity is gratifying, the more so when it is remembered that the Commission contained Britishers and Indians, necessarily differing somewhat in their outlook, that they were surrounded, during their investigation, by a highly charged atmosphere, and that they were directed to have regard on the one hand to the maintenance of a standard of administration in conformity with the responsibilities of the Crown for the government of India, and on the other to the declared policy of Parliament in respect of the increasing association of Indians in every branch of the administration and the experience gained of the operation of the new system of government in respect of superior services.

Some may think that the task of keeping an eye on each of these two guiding principles could only result in a painful squint. The fact, therefore, that this unanimous report presents a reasonable solution of the problem in hand reflects high credit upon the Commission and should in itself provide substantial encouragement to those who may be contemplating an Indian career. The result has been attained through a policy of give and take. The concession on the one side consists in the provincialization of certain all-India services and an accelerated Indianization. On the other hand, it is proposed to retain other services on their present footing, and more attractive conditions of pay, etc., are recommended for all the superior services, whether so retained or not. These are the four pivotal points in the report.

Let us, as a muscular dentist once said to me, get the butchery over first. Under the dyarchical system, some branches of administration in India, called reserved subjects, are kept in the hands of the Governor of a province acting with his Executive Councillors, who are responsible to the Secretary of State and to Parliament; others, called transferred subjects, have been entrusted to Ministers, who advise the Governor in these matters and are themselves answerable to the local legislatures.

<sup>1</sup> The minutes recorded are not minutes of dissent. Only one signature is asterisked—apparently more in view of the member's absence from much of the discussion than of the minor point on which he differs from his colleagues.

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But the superior services which operate both in the reserved and in the transferred fields are classed as all-India services and their personnel is appointed and controlled by the Secretary of State. Hence the Ministers have to work largely through a body of officers over whom they cannot exercise full powers and whose number and salaries cannot be reduced by a vote in the legislature. The Commission have seen in this a constitutional anomaly and have accordingly recommended that recruitment on an all-India basis in these services, which work in transferred fields, should cease, and that, while no change should be made in the position of existing members, appointment and control in the future rest with the local governments. This argument is not likely to pass unchallenged. For it may be said that it is no infringement of a Minister's powers that he should take over his department as a going concern with the staff intact. The quotations cited by Professor Coupland in defence of the argument form a double-edged weapon. The Montagu-Chelmsford Report was emphatic on the necessity of retaining for India "the willing help and guidance of many men like those who have led her thus so far on her way." And Sir Reginald Craddock is correct in thinking that it was not wholly realized, when the reforms were instituted, that recruitment for these services on an all-India basis might come to so abrupt a termination as these proposals involve. One might go further and suggest that the reforms scheme contemplated a fairly long continuance of existing service conditions as necessary to its own success. It seems inevitable that there will be a stampede in the direction of provincialization in the completest sense—the recruitment of these services from the material at hand in the province and trained in Indian (and preferably provincial) institutions. The Public Service Commission, when it materializes, will be the authority, in respect of future members of these services, only for standards of qualification and methods of examination; and the Commission recommend that local legislatures pass Public Service Acts. But these palliatives (even if the second is realized) cannot be relied upon. The field of recruitment will be narrowed. Provincial services will tend to provincialism in other directions. Recruitment of Europeans will rapidly decrease or altogether cease. In the sphere of public instruction "it is indeed a matter for anxiety whether, when everything turns upon the successful education of young Indians in self-government on Western lines, it is the right time to cut off the supply of Englishmen, bringing with them the spirit of the West." One can only regret the passing of these services, the members of which, with negligible exceptions, are declared by Ministers to have given them most loyal support in the carrying out of policies.

Among those condemned we must reckon the Indian Medical Service, as such. The constitutional argument and other reasons have been

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assigned for its extinction. Lieutenant-General Sir Charles Burtchaell notes, among other things, the inexpediency of present arrangements from a military point of view. But arguments based on the happenings of 1914-1918 cannot be regarded as of general application ; and Sir Reginald Craddock remarks that no regular paid reserve could ever be contemplated in peace time in any country that sufficed for the needs of a world-wide war. Political hostility, jealousy and temporary difficulties of recruitment have conspired to destroy a noble service with its great record of benefits bestowed upon mankind at large. No doubt strong pressure was brought in order to secure the Commission's acquiescence in the deed. But the Commission have at least done their best to save the situation. Though the bulk of civil medical work will henceforward be carried out by provincial services, yet the needs of the army and of the British population render essential the maintenance of a British element under proper safeguards. It is recommended that the care of the British and Indian armies in India be henceforward entrusted to the Royal Army Medical Corps (India), which will absorb the Indian Medical Service and will also supply a portion of the British element in the Civil Medical Services. The scheme appears to be a practical one. The recruitment problem will be eased in a service where the officer is not tied to an Indian career ; and the expected increase in the out-turn of qualified candidates (which, had a reprieve of a year or two been granted to the Indian Medical Service, might have altogether saved it) will, it is to be hoped, furnish a supply of satisfactory officers to the R.A.M.C. (India). But one could wish that the recommendations about the staffing of medical colleges had been more precise. For much depends upon the training of Indians.

As regards the second point, the Commission have recorded the observation that the new system " seemed slow in operation because the rate of Indianization adopted since 1919 was regarded as illiberal." In point of fact, the rate, in certain services, might, in comparison with what had been deemed prudent in the past, be regarded as a mill-race. But the question is no longer, as in the days of the Islington Commission, " How many Indians should be admitted in to the Public Services ? " but " What is the minimum number of Englishmen which must still be recruited ? " And the recommendations are aptly described as " a just mean between the impatience of the politician and the conservatism and genuine anxiety of large communities who regard their security as bound up with the continuance of British inspiration in the government of the country." It is needless to go into detail. Satisfactory features are the recognition of the claims of the Provincial Civil Services for promotion to the Superior Service and the insistence on the maintenance of a due ratio between European and Indian recruitment so as to avoid haphazard stratifications. Of course, all these arrangements apply to

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the services working in reserved branches of administration. In the transferred fields European recruitment will have to look after itself.

Thirdly, the Commission, rightly rejecting the idea of short-time contracts, recommend, for the services working in the reserved field, the retention of permanent cadres, recruited and controlled by the Secretary of State. These superior services, which will thus remain all-India services, are the Indian Civil, the Police, the Irrigation Branch of the Service of Engineers, the whole of the Service of Engineers in Assam, and, save in Bombay and Burma, the Forest Service. In central services directly under the Government of India it is proposed that recruitment be in some cases by the Secretary of State, in others by the Government of India, and in others again partly by the one, partly by the other, of these two authorities. Thus the great safeguard is preserved ; and the Commission do not share the anxieties sometimes expressed about security of pensions. Further, in order to counter any tendency towards injustice, on political grounds, in matters of promotion, etc., emphasis is laid on the speedy establishment of the Public Service Commission, statutory provision for which already exists. One may assume that this body will protect the interests not only of the services retained as all-India services but also of existing members of the superior services which it is proposed to provincialize.

Attention will naturally concentrate upon the fourth point—the conditions of service recommended for the future. The proposals under this head embrace all the superior services, whether they are to remain all-India services or not. But, in the case of those recommended for provincialization, they will have little interest save for existing members. The important question is the improvement suggested for the services which are still to be recruited by the Secretary of State. The justification for enhanced emoluments is obvious. Among many reasons let it suffice to mention one—that when the scales of pay were revised in the light of the Islington Commission's Report it was anticipated that the exchange value of the rupee would remain in the neighbourhood of two shillings. Lord Lee's Commission propose to meet the situation by raising, not the basic pay (save in the Police Service and, to some extent, in the Engineers' and Telegraph Services), but the overseas pay, i.e. that portion of an officer's salary which is given him by reason of non-Asiatic domicile and the expenses thereby entailed. This has the obvious advantage of retaining an equality of basic pay for all and giving relief where relief is most required and in the form least likely to invite criticism.

Other advantages are recommended—an increase of pension for Indian civilians who have filled the position of a Member of Council or of a Governor ; an increase of pension for the uncovenanted services—one could wish the increase were greater, but the so-called unremunerative

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charges are always alarming ; an important concession in the matter of free passages home and out again ; and some minor benefits.

The Commission inform us that, so far as they could ascertain, the cost of living for a European in India has risen since 1914 by about 60 per cent. The question arises whether their proposals suffice to restore the balance and to render the Indian services as attractive, from the material point of view, as they were in days gone by. If overseas pay, the special exchange rate and the provision made for passages be added in, and if the resultant emolument proposed by the Commission in the highest grade of the time-scale is compared with the emolument of the corresponding grade in 1914, we find an improvement in the Agricultural Service of 100 per cent, in the Educational Service of 81 per cent, and in the Service of Engineers of 50 per cent. A similar comparison made for the services which will remain all-India services discloses an improvement of 62 per cent in the Police Service, 48 per cent in the Forest Service, and 50 per cent (as above) in the Irrigation Branch of the Service of Engineers. The actual emoluments of these services in the highest time-scale grades would, under the proposals, vary from £1,480 to £1,600 a year ; and there are higher grades of pay for selection posts beyond the time-scale. In the Indian Civil Service, where there was no time-scale in 1914, the same kind of comparison is impossible. But the average of the proposed time-scale, similarly calculated, shows an improvement of 30 per cent over the corresponding grades in 1914. The average emolument throughout the officer's service in the time-scale would be £1,480, and the highest annual emolument (in the twenty-fourth year) would be £2,200. In this service there is an ample supply of posts above the time-scale ; and an able officer, without rising to a Governorship, has a good chance of obtaining a salary anywhere between £2,750 and £5,300. Further, if the improvement in emolument here is less than the alleged rise in prices, it is to be remembered that a solid additional advantage has already been secured to the Civil Service by the repayment of the 4 per cent pensionary contributions—a change which is calculated to add £250 a year to the annuity of £1,000.

The general result is that, while the future of certain services has been sacrificed, the proposals aim at retaining the present organization of services working in the reserved fields and at an improvement of conditions. The Commission urge speedy action upon their proposals as a whole. The bill for carrying them out will rise from £640,000 to £800,000 a year—no negligible amount in an Indian budget—and will thereafter diminish. This bill should be faced. Recent events, rising out of communal differences, have shown the need of steady and impartial control. "The best and most responsible evidence," says Sir Reginald Craddock, "both English and Indian, does not go to support the view that India is yet in a position to dispense with the assistance of English

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officials of the right type in working out her political future." And, if India wants men, the career she offers them is still a great one—perhaps greater than before. "Tho' much is taken, much abides"; and though we may deplore the destruction of some of the services that have helped to build her up, the Commission's report, if acted upon, should remove the material obstacles which have militated against the acceptance of an Indian career in those that remain.

H. SHARP.

### XIX

"THE BOMBAY CITY POLICE—A HISTORICAL SKETCH, 1672–1916," by S. M. Edwardes, C.S.I., C.V.O. (Oxford University Press.) 10s. 6d. net.

THE general nature of Mr. Edwardes' book is sufficiently indicated by its title. It is, as he tells us in the preface, a brief record of the past history of the Bombay City Police Force, which he has been prompted to prepare by the knowledge that there was not previously in existence any properly connected account of the police administration of the city. Considering, as well, how closely the work of the force has always been interwoven with the daily life of the mass of the population, and how large a contribution to the welfare and progress of the city has been made by successive commissioners of police, Mr. Edwardes has thought it desirable to place permanently on record the more important facts connected with the early arrangements for the prevention and detection of crime, and to describe the manner in which the heads of the force have discharged their heavy responsibilities. It may be said at once that in all this Mr. Edwardes has found a subject not unworthy of a book, and that the book he has produced is not unworthy of that subject. He has selected as a convenient date for the conclusion of his sketch the year 1916, as the commencement of the violent Home Rule agitation and (roughly) of the new era of reforms, which, as he remarks, are likely to leave few things in India unaffected, not excluding the Bombay City Police.

The beginnings of the present Bombay City Police are to be found in the "rude militia" organized by Gerald Aungier, who was Governor of the island from 1669 till his death in 1677. This force, though intended primarily as a supplement to the regular garrison, was also employed on duties which would now be performed by the civil police. Its employment being thus dictated more by military and political exigencies than by civil needs, it is not surprising to learn that it proved a totally inadequate instrument for the suppression of the lawlessness and violence that were markedly rife in Bombay from the close of the seventeenth century onwards. We gather that in 1771 police arrangements were still very unsatisfactory, and that crimes such as murder and robbery

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were so frequent outside the town walls that Brigadier-General David Wedderburn drew up proposals for a night patrol system by the militia, which may be said to mark the definite employment of that body on regular police duties. Lawlessness, however, showed no abatement, and in 1778 the grand jury demanded a thorough reorganization of the police. This was followed by the appointment of a Mr. James Tod, as "Lieutenant of Police," an appointment from which was in course of time evolved the present-day commissionership. Tod appears to have effected some improvements and to have drafted a set of regulations constituting the earliest Bombay police code; but his administration ended under a cloud, and lawlessness and inefficiency continued to grow side by side. The early thirties (i.e. 1830 onwards) were responsible for much crime, and the press of that period records constant cases of burglary and dacoity, and the "anxiety and alarm" that prevailed among the inhabitants of the island. "Gangs of robbers, armed with swords, pistols, and even musquets," paraded the streets in an open and fearless manner and seemed to defy the police. Periodical outcries led to periodical "reforms," but little real improvement was effected until the appointment in 1855 of Charles Forjett, whose successful administration finally stamped out violent crime and restored public confidence.

This remarkable man was of Anglo-Indian extraction, and, in addition to many sterling qualities of character, was possessed of great linguistic ability and "a masterly capacity for assuming native disguises." Forjett's special talents served him equally in obtaining knowledge of the plans of criminals and of the shortcomings of his own subordinates, with the result that he swept Bombay clean of the worst elements in both. The story of how he obtained information that enabled him to render abortive a projected rising of the native troops in Bombay during the mutiny days reads more like a tale of the Caliph Haroun al Raschid, or of Mr. Kipling's Strickland, than a sober page of authentic official history. Forjett was the first efficient chief that the Bombay police ever had and he did as much to raise the tone of the police administration as he did to bring the criminal classes under stern and effective control.

Considerations of space preclude one from dealing adequately with his almost equally notable successor, Sir Frank Souter, another of the great commissioners whom it has been Bombay's good fortune to obtain. Sir Frank's high administrative capacity did much to mould the police into a more efficient instrument for the prevention and detection of crime, and left an abiding mark on the force, of which he was long the trusted and distinguished head. In common with many of his successors, he was sadly hampered by the Government's inability to allot sufficient funds for keeping the public administration abreast of the rapid expansion of the city, but, for all that, he kept crime in check and maintained the peace of the city unbroken for a period of fourteen years. His retirement in

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1888 was marked by unique expressions of esteem and confidence, both official and public.

Some of Sir Frank Souter's successors were less fortunate than himself. The Hindu-Mahomedan question is an ever present menace in most large communities in India. The feeling is age-long and bitter, and may fittingly be compared with that between the Catholics and Protestants of the Middle Ages, or the Ulstermen and Nationalists in Ireland. The embers are always smouldering and may at any moment burst out into a consuming fire. Acute trouble of this nature befell Mr. R. H. Vincent, the next but one in succession to Sir Frank Souter. In these and other disturbances of a similar nature and origin the Bombay police have a proud record of saving the city from the horrors of indiscriminate murder, loot, and arson. The records of Wilson, Vincent, Hartley Kennedy, and Gell are given in full by Mr. Edwardes. In every case they show these successive commissioners to have been high-minded and courageous men, as well as devoted servants of the public. Some special reference is necessary to Hartley Kennedy's passion for adventures of the Forgett type and to Mr. Gell's handling of the riots that ensued upon the conviction of the late Bal Gangadhar Tilak, when 400,000 mill hands broke out into open disorder.

Mr. Gell was the last commissioner before Mr. Edwardes, and, even before his retirement, an extensive reorganization of the police in pursuance of the Indian Police Commission's recommendations was already under consideration. Mr. Edwardes was a member of the committee appointed to deal with this question, and it was, therefore, eminently fitting that he should have been chosen as the next commissioner to give effect to the proposals which he had taken a leading part in drawing up. His tenure of office was in many ways a notable one. Not only did he carry through a reorganization involving large additions to the strength and cost of the force, but he also set himself systematically and successfully to provide up-to-date police stations and better accommodation for the staff, a reform of far-reaching effect on the health and efficiency of the force. Among many other important tasks that he was called upon to perform, he handled with much credit to himself and the force the arrangements for the Royal visit of 1911-12. But, as he himself remarks, his administration will probably be longest remembered for the resolute and successful action he took in purifying the Moharram, an annual Mahomedan religious festival, the celebration of which had become completely overlaid with intolerable rowdiness and obscene licence. Mr. Edwardes' challenge to the rowdy elements was taken up, and there was firing and considerable loss of life before they were cowed, but he came successfully through and earned the lasting gratitude not the least of those Mahomedans who wish to see their religious celebrations conducted with proper decorum instead of obscenity and vice. Mr.

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Edwardes' appointment as a member of an outside body (the I.C.S.) was at first not well received by the police themselves. There could be no finer tribute to the vigour and success of his regime than that when he laid down his office, all ranks of the force combined to erect to his memory a marble bust in the city police office "in appreciation of many and valued services rendered to the force."

Such is a brief historical outline of a notable book. Its pages, however, abound in matters of interest in connection with such matters as traffic in drugs, arms, and women, racial and religious disputes, the detection of some notable crimes, and the hundred and one things that go to make up the heavy and varied duties of the head of the police in a great Indian city. The author also narrates many fine instances of bravery by individual members of the force and pays tribute to the many able assistants and deputies, both English and Indian, to whom every commissioner owed much of his success. Mr. Edwardes writes with the ease that comes from complete mastery of his subject, and the compilation of his book has obviously been to him a labour of love. His careful researches, his wide and accurate knowledge, combined with the intrinsic interest of his subject, have produced a volume of fascinating interest and of not a little instructive value. While the book is a compact historical record of the Bombay City Police, it constitutes as well a fine tribute to a class of public servants the value of whose labours to India is often too little understood or appreciated.

D. PETRIE.

### **Other Countries**

#### **XX**

"*AS THEY ARE: FRENCH POLITICAL PORTRAITS*," by \* \* \* Translated from the French by Winifred Katzkin. (Heinemann.) 7s. 6d. net.

THIS book was originally issued in French, about a year ago, under the title of *Ceux Qui Nous Mènent*. Between that original edition and the present translation, which clearly comes to us from the United States, the anonymity of the writer has, we believe, not been pierced. It is, perhaps, of small account, but one wonders, reviewing his series of pen-portraits after the recent French elections, whether he is not among the great rejected of the *Bloc National*, or what would have been his comment had he been able to foresee the collapse of the political group he so obviously espouses. M. Poincaré is his hero, M. Caillaux is the villain of the piece. Of the former we are assured that legal studies have not withered his finer feelings, that he is a particularly sensitive nature, that no one has less regard for personal profit, that he has the strictest

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respect for the Constitution. For M. Caillaux nothing can be too severe. "He pandered to the basest sentiments, to the most ignoble instincts of his constituents. . . . Like his domestic, his foreign policy has throughout been dictated by the same corruptive plutocracy." Between these two instances, which sufficiently show the writer's bias, there are twenty-three other examples of a more informative, less prejudiced display of his undoubted talent for character-drawing. He writes of M. Clemenceau as a sentimentalist and, while not equalling the vividness of Mr. J. M. Keynes's portrait in the *Economic Consequences of the Peace*, nevertheless makes him live before us. He gives us intimate glimpses of M. Barthou, who is praised because he is "a lover of both books and learning," but is credited with a not over-scrupulous ambition. Of M. Herriot he says that "he is soft and lacks the biting qualities," that he refuses to look at the facts in the face regarding his party and its dependence on the Socialists, that, in short, he is "a rather colourless academic gentleman"—all of which strikes one as dictated by a lack of sympathy with the subject—for there is more to say about the ex-Mayor of Lyons than that. Perhaps that is where this book, in spite of the undoubtedly skill of its too-modest author, is lacking. It is partisan and unable to see the virtues of the opposition; this makes it inadequate as regards the very men who are coming into power in France to-day. The subjects who incline towards Nationalism are best treated in this book, give it, in fact, a permanent value. But the reader must supply a corrective—not to the facts, which are accurate and of value, but to the deductions and comments—when he comes to the portraits of politicians of the Left.

X. X.

### XXI

"THE RE-MAKING OF RUSSIA," by Herr Wiedenfeld. (The Labour Publishing Company.) Price 3s. 6d.

HERR KURT WIEDENFELD was the first envoy of the German Republic to Russia after the relations between the two countries had been resumed in 1921, following the lead given by Great Britain in signing the Trade Agreement with Russia. He remained at the head of the German mission in Moscow for about a year, staying there until the Treaty of Rapallo rendered possible his replacement by a fully-accredited ambassador. During this period it was his official duty to encourage trade between his country and Russia, and to report to his Government on the new Russia which had emerged since relations had been broken off after the Bolshevik revolution. He says little about the first duty in this present book, but it is clear that he found it difficult. This perhaps was due more to the deficiencies in German resources than to unwillingness

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on the part of the Russians. Germany is too poverty stricken herself to be able to afford any material assistance to Russia. Since the war she has had nothing to offer Russia except advice, and not always very good advice at that. The path of German diplomats who, in return merely for advice, have had to try to secure material commercial and financial advantages for her business men, has naturally been somewhat difficult.

The book, well translated from the original German by Eden and Cedar Paul, no doubt contains many reports sent by Herr Wiedenfeld to his Government in discharging the latter part of his duty. It bears much evidence of that careful investigation of facts and figures to be expected from its German official origin, and of the effort made to appreciate impartially the situation in Russia. In these respects it differs much from most of the literature on Soviet Russia which has been published in this country. The British public has largely had to rely for its information on newspaper correspondents at Riga, Helsingfors, Berlin, and other places miles away from the borders of Soviet Russia, who have shown remarkable skill in turning into solid cash the basest rumours which undisguised hostility to Soviet Russia could produce, and on hurriedly written reports of visits to Russia of two or three weeks' duration which have mostly erred in the direction of too enthusiastic admiration or of captious criticism. With one or two notable exceptions no attempt has really been made to inform the British public as to what the Bolsheviks have been trying to do, why they have adopted particular measures, and to what extent they have succeeded or failed. Here, indeed, is the biggest experiment in our time in social, industrial, and agricultural reorganization, vitally important to every democracy in Europe, whether it succeeds or fails—an experiment which has continued now for six years with slowly but surely increasing strength, in spite of almost immeasurable difficulties, carried on over a vast area more than twice the total extent of all the countries of Europe, affecting directly a population larger than that of the United Kingdom, France, and Germany put together. Yet the leading London papers treat it in a spirit of levity and shallow sensationalism, comparable only to that applied by their Sunday rivals to the latest society scandal. It is significant that we must go to German officialdom for information that ought to have been rendered available to the British people, if not by our own press, at any rate by our own official hierarchy.

Herr Wiedenfeld often disapproves, but he does his best to understand and to explain what he has seen. His purpose is not so much to expound the Communist doctrine or to criticize it scientifically, but to see what sort of State has been produced by the Revolution out of the Russia of the Czars. He traces in detail the effect of Communism on agriculture industry, trade, and finance and proceeds then to analyse, so far as they were apparent in 1922, the effect of the changes which Lenin with amazing courage initiated in 1921. He condemns the Government control of

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foreign trade and is frankly pessimistic as to the part that a bureaucratic regime can play in the delicate processes of commerce. His view in this respect reflects the reaction of post-revolution Germany against Socialist experiments. His criticism, however, suffers from two disabilities. In the first place, his book was written before the new economic methods had had a chance to get going. Since 1922 much progress has been made. Production and exports have considerably increased, the currency has now been practically stabilized and even transport has improved. That these things would happen so quickly seemed incredible in 1922, though, admittedly, there is still an enormous leeway to be made up before even pre-war prosperity can be regained.

In the second place, it is not difficult to trace a certain disappointment in the inability of Herr Wiedenfeld to overcome the obstacles deliberately put forward by the Russians to prevent German penetration into Russian trade and industry. Herr Wiedenfeld, naturally, found the Government control of foreign trade intolerable from the German point of view. It was intended, and has so far succeeded, in retaining in Russian hands the complete domination of Russian trade which the Germans held before the war by their control of the banks and merchant houses. The Russian buyer is now able to get his goods direct from the British manufacturer without having to pay toll at Hamburg or Berlin. British finance, moreover, can now be used to assist British trade with Russia rather than, as before the war, German trade with that country. Naturally, Herr Wiedenfeld does not like it. He might perhaps have been reconciled to some extent if he had seen how the strict control of import and export operations had enabled the Government in these last few months to rectify the trade balance and stabilize the currency.

The book, as might be expected, has much more to say about the new administrative machine than anything yet published outside Russia, but we have still to wait for a detailed analysis of the Soviet administrative experiments. Herr Wiedenfeld, in an interesting analysis of Lenin's part in shaping policy after the revolution, stresses his understanding of practical necessities as evidenced by his attitude towards the civil servants of the Czarist State and towards the higher employees in private enterprise. Lenin was eager to induce all of them to work for the revolutionary government despite all differences of opinion, and principle. In April, 1920, at the Communist Party Congress, he said : "When the *bourgeoisie* abolished the feudal system, did it confound rulership with administration ? It was not so stupid. The capacity for administration does not fall from heaven, neither does it proceed from the Holy Ghost. The fact that the working class is now supreme does not entitle us to assume that it is therefore competent for administration. . . . When the *bourgeoisie* gained the victory over the feudalists, it took over administrators from the feudal caste . . . and in like manner

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it now behoves us to make use of the knowledge and the technical experience of the class we have dethroned. We must turn this knowledge and this experience to our own account, and must use them on behalf of the victory of the working class." He has succeeded in securing from the bulk of the civil servants and the salaried managers in industry a large measure of support which is invaluable, if not always enthusiastic.

Especially significant has been the speed with which the managerial caste has adapted itself to the new system. Most of them are utterly indifferent in political matters. They are interested mainly in their jobs and in the chance of realization of technical and constructive progress, which the new regime, despite all its difficulties, has brought them. And, in general, they would not welcome any return of the old owning class, a view which, as Herr Wiedenfeld observes, is generally shared. The development of joint-stock enterprise in Russia, as in this country, has created a class of managers and technicians who have little in common with the owners of capital. Their sympathies are more with the work-people than with those who have been accustomed to depend on their skill for their dividends, and they are just as willing—in some cases more willing—to work for a nationalized as for a privately-owned industry.

The chapter on the Soviet State, in which the structure and organization of the federal constitution is set out, suffers also from the fact that it was written before the changes which are described had properly come into effect. Actually, the legislation enacting the Federal Constitution of the Union of Soviet Republics had not been completely passed at the time when Herr Wiedenfeld left Russia, and he had, therefore, not been able fully to appreciate the potential effect of what is an extremely valuable experiment in federal government and devolution.

Whether, indeed, the Bolsheviks have solved the problem of retaining in one grouping the various states and nationalities of the old Russian Empire by centralizing defence, communication, foreign relations, and foreign trade and permitting home rule on all matters of internal politics and organization, remains to be seen. But, at any rate, they have succeeded in giving to the Ukraine, White Russia, and to the other constituent peoples of the union, a sense of freedom and a hope of self-development which was constantly denied them by the Imperial Government. The synthesis of national freedom with international ideals is a problem that we in this country are far from having solved, and it may be we have something to learn from the experience of Russia. At any rate, Herr Wiedenfeld's chapter on the structure of the administrative machine and the functions of the various committees and bodies is admirable. His opinion of the importance of the Communist party and the Communist party machine in influencing and, indeed, controlling the organs of government is possibly justified as viewed from Moscow, but away from Moscow

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centralization becomes less important. Local initiative is finding increasing expression not merely in the organs of State government and provincial administration, but also in the co-operative movement with its wide ramifications in the economic and social life of the villages. It may be that the future of the Soviet Government depends to an extent little appreciated in this country on the success of its efforts to fasten its roots away from the towns which brought it to life, in the distant spaces of agricultural Russia.

E. F. WISE.

### **Shorter Notices**

#### **XXII**

"A GUIDE TO PARLIAMENTARY AND OFFICIAL PAPERS," by H. B. Lees-Smith, M.A. (Humphrey Milord, Oxford University Press, London, Edinburgh, etc.) 2s. net.

THIS booklet is a companion to the paper on "The Officers of the House of Commons," which is published in the present number of this Journal. It deals lucidly with the various categories of official papers, and will be useful to research students and to those who wish to understand the machinery of Parliament.

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## *The Forum*

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# THE FORUM

[The object of this section of the JOURNAL OF PUBLIC ADMINISTRATION is to provide an opportunity for frank discussion. Articles should not exceed 500 words and should be devoted to subjects of immediate interest to the Institute. They may or may not be signed, but must be written by an accepted Member or Associate of the Institute, and the name and address of the sender must be supplied.]

IT is one of the perplexities of those who have been responsible for the JOURNAL that so little advantage has been taken of the opportunity of open discussion in the Forum. One never meets a number of public servants without finding them alert and eager to discuss various aspects of the possible work of the Institute. The air is thick with suggestions. Yet it happens that very rarely do contributions reach the Editor. There is a wide fringe of subjects which might be discussed in this place and the work of the Institute might be widened in its scope by such discussions. There seems to me to be a danger from an over-emphais on authoritative contributions. No one can gainsay the weight of the contributions which have been made in the columns of the JOURNAL to the more prominent issues of public administration. But these more prominent issues are not the only issues nor is it the case that in the sum total of the work of public administration they monopolize the general interest of those concerned. Moreover, the contributions are so authoritative that it would show considerable temerity on the part of most of us even to question the conclusions which have been drawn and indeed in most cases they cannot be questioned. But there are many more debatable issues which in their accumulation do affect the general efficiency of the administration of public offices, and there are many other aspects of our work which could be brought out if only the advantage of an open court of discussion were realized. I would venture to say therefore something more than that contributions are invited. I would suggest that the duty lies upon each of us, whatever his position or experience may be, to formulate for the general benefit any ideas he may have as to the study of public administration on this wider plane.

J. L.

### CODIFICATION OF ADMINISTRATIVE LAW

EXPERIENCE has shown that the codification of laws and rules saves labour and reduces the risk of mistakes. The Education Acts were codified in 1921; the Income Tax Acts in 1918; the Children's Act of 1908 was a useful bit of codification. But the Public Health Acts have not been codified since 1875, and the Housing Acts not at all. The law relating to highways badly needs codification. The Lunacy Acts were

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codified in 1890, but were not well codified. The Poor Law Acts are the worst case ; the unfortunate officials concerned with them are daily referring back to an Act of 1603 and to a whole host of subsequent Acts.

Whatever may be the case with the great body of English law it is quite clear that what may be called the Administrative Law needs both periodical codification and also very lucid exposition ; for it amounts in fact to a set of instructions to officials many of whom cannot have any high legal training. The best model known to the writer of what a law can be is the Indian Penal Code, which was drafted by Lord Macaulay in such a form as to be suited for use by intelligent men who might not be trained lawyers ; it is admirably suited to its purpose. English policemen could handle a code like the Indian Penal Code in a way they cannot handle *Stone's Justices' Manual*. Relieving officers have the duty of taking lunatics to public asylums or to Poor Law institutions ; the law under which they act was indeed codified in 1890, but is not sufficiently lucid ; there are points in it which would puzzle even a judge. It is especially such administration as is carried out by minor officials that needs a very clear and lucid code, and if a code is to remain lucid after amendment it needs periodical codification.

In certain States of the U.S.A. there are Standing Committees for the codification of law. The Administrative Law in England needs such a Standing Committee, which should, every ten years or so, consider the previous codifying statute of (say) the Education Acts, or of the Public Health Acts, and consider the effect thereon of subsequent amending Acts, and likewise the effect of legal decisions, and should prepare a new codifying statute embodying exactly the then state of the law, which new statute should become law without further Parliamentary discussion. Such further discussion would not be needed, as the statute would contain nothing new, it would merely summarize the law as already enacted by Parliament and explained by the law courts. No doubt such a Standing Committee would sometimes find it difficult on certain points to understand exactly what the law did mean, the Merthyr Tydyl decision (poor relief to strikers), for instance, is incomprehensible ; but such difficulties are small compared with the simplification of administration which would result from giving to a host of minor officials a single Act to administer in place of a numerous series of Acts.

The need for simplification is not entirely confined to Acts of Parliament. Some departmental rules and orders are also too complex, and the explanation that this is due to the need of following an ill-drafted Act of Parliament is not always valid. For instance, it would take even a trained lawyer half an hour to master Article 3 of the Relief Regulation Order, 1911 ; it is a mistake to issue an Order so drafted for the use of relieving officers.

W. D. B.

# THE JOURNAL OF — PUBLIC — ADMINISTRATION

**Issued by the Institute of Public Administration**

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Contributions should be addressed to THE EDITOR, THE JOURNAL OF PUBLIC ADMINISTRATION, Sir Isaac Pitman & Sons, Ltd., Pitman House, Parker Street, London, W.C.2.

Contributions are especially invited to The Forum. They should not exceed 500 words and should be accompanied by the name and address of the writer, who should be a Member or Associate. Initials or pen names are permissible in publication.

Books for review should be addressed to the EDITOR.

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## *Notes*

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### **Notes**

AFTER TWO YEARS. The Institute of Public Administration has reached a critical stage in its growth. For two years it has been spreading its appeal throughout the public services. It has been mainly an appeal to faith, faith in the traditions of the services it was seeking to organize, and faith in the power of a corporate life to enrich the spirit of these services. It has not been in vain ; steadily, as knowledge of the aims of the Institute spread, members have been enrolled until to-day the roll includes nearly two thousand names, more than half of whom are full members and the remainder associates. This is an achievement of which every member of the public services might well be proud, but to those connected with the government of the Institute it must bring a heavy sense of responsibility. The task which lies in front of the Institute is not easy. Its membership will not hold together automatically ; it is scattered over the length and breadth of the country, and there are many members outside this country ; it embraces a wide range of experience and outlook, but its internal points of contact are few. On the other hand, given a decisive development in the life and work of the Institute, it is a membership inspired by faith in its mission and, having points of contact with practically every branch of the public service, is well calculated to ensure a rapid and considerable growth.

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ADVANCEMENT OF KNOWLEDGE. It is not intended, in these notes, to produce a ready-made plan for the future development of the Institute, but it might serve a useful purpose to review briefly the work of the past, with a view to indicating some of the possible lines of advance for the immediate future. To the knowledge of public administration the Institute has already made a considerable contribution. Readers of this Journal will not require to be told that most of the papers read, and many of the addresses given, at its meetings in London, in the provinces, and at the summer conferences have been fruitful and suggestive. They indicate conclusively that in the ranks of the public services there is a rich field of experience which requires only such stimulus as the Institute can provide to be made available to others. To a great extent the basis of this work will broaden automatically as more of the regional groups get into their stride. Up to the present London experience has been drawn on to a disproportionate extent. This was more or less inevitable while so much of the work was conducted from London and by London members, but need not be so now that the

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regional groups are getting under way and mobilizing their resources. But if broadening is likely to be automatic, deepening will have to be diligently sought. In this direction the discussions which follow the introduction of a subject are of great importance. Good discussions not only enrich the knowledge of those who participate in them and suggest future work for the Institute, but the anticipation of them provides the strongest possible stimulus and encouragement to the writers of papers to produce of their best. By such devices as the circulation of papers before discussion the level of discussions may be raised. But transcending all such devices and arrangements in their power to enhance the intellectual life of the Institute is the corporate spirit of its members. This could not be illustrated more clearly than in the contrast between the meetings held in London and those held at the summer conferences. In the former there have been good discussions between strangers, but at the latter good discussions between friends ; and the friendships have been strengthened by the frankness of the discussions. This, however, opens another theme ; before taking it up in detail it is necessary to continue the examination of the Institute's contribution to knowledge. The discussion and publication of papers is not the only means by which the Institute can add to the stock of readily available knowledge. It may stimulate and organize research either by groups or individuals. Already the Institute has established one research group under the chairmanship of Sir Stanley Leathes, and the early appointment of others is contemplated. Research work, however, to be successfully undertaken requires considerable organization and equipment. Royal commissions, for instance, normally have their detailed work performed and co-ordinated by experienced secretaries with the resources of Government departments behind them. The problem of adopting similar methods within the Institute is not unmanageable. The elements appear simple ; they are individual knowledge, initiative, and hard work combined with experience and representative criticism and assessment. These can be secured from within the ranks of the Institute. The third method adopted by the Institute in furtherance of this object is the essay competition, but this is still at the experimental stage. These three lines of operation by no means exhaust the methods by which the Institute can broaden and deepen the available knowledge of public administration. Up to the present, however, they cover the work of the Institute towards this end. Expansion and development in other directions is not only possible but necessary.



**STIMULATION OF STUDY.** In admitting associates to many of the privileges of membership the Institute undertook a very definite piece

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## Notes

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of work. These are the "student members," and the fact that they are not called by that name in no way alters or diminishes the responsibility of the Institute. This obligation is formally recognized in the constitution by reference to contemplated examinations of associates who wish to qualify for admission to full membership, but up to the present it has not been possible to make any definite move towards its liquidation. In this matter some of the regional groups have, in co-operation with their universities, got ahead of London. As part of their work they arrange lectures on the foundations of public administration. The Central Council, on the other hand, has from time to time given consideration to proposals designed to meet the special needs of the associates and members whose experience or knowledge does not enable them to gain the maximum benefit from the papers ordinarily discussed at the meetings of the Institute. Some of these suggestions have been very excellent in their way, and may be adapted with profit to the Institute and to the public services, but they leave the obligation towards the associate exactly where it was before. That obligation is to stimulate and assist the associate in the study of the foundations of public administration. Responsibility for this work was undertaken voluntarily by the Institute, not because it was regarded as being good for the individual associate or calculated to alter his official career, but because it was regarded as good for the public services. It is a task which must be faced, and that at a comparatively early date. Definite schemes of work should, however, be undertaken only after careful consideration and a full examination of the experience of other organizations, and particularly the universities, which have undertaken similar work. It is hoped that some prominence will be given to this matter at the forthcoming dinner of the Institute, at which representatives of the universities will be present. It is certain that the Institute can only undertake this task effectively when it obtains the whole-hearted co-operation of these bodies.

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CORPORATE SPIRIT. In his article on the Summer Conference, which appears on another page of this Journal, Mr. A. J. Waldegrave speaks of the "peculiar charm in the manner in which the Oxford University, like her sister at Cambridge, can open her arms to receive temporary members, and can throw over them the spell of her long traditions of the value of learning and of corporate service." Something of this charm, this power, the Institute must capture for itself if it is to fulfil adequately the tasks for which it was created. This is not a thing which can be called into being by the decision of a committee, but committees can facilitate or retard its development according to their wisdom. One of the first essentials of this development is that the

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Institute should have a home of its own. The Council of the Institute are at present giving very serious consideration to the problem of obtaining suitable premises for the purpose of creating a home. While the Institute is still at the infant stage this is no easy problem. It is being faced, however, in splendid faith, and the Council are entitled to the goodwill and hearty co-operation of every member in their efforts. This is the first essential. The second is to intensify the life and develop the corporate spirit of the Institute. Towards this end the life of the home must be such as will attract and bind members to itself, whether they be permanently resident in London or only occasional visitors. To do this it must be intense; it must produce friendships and a consciousness of a common purpose even where diversity of roads may be recognized. There are abundant opportunities of creating such a life. The home should be the natural place for members engaged in different spheres of public work to come together in formal and informal gatherings to discuss the problems with which they are concerned in the course of their daily work, to exchange experiences and to seek friendship. The creation of such a habit may not, one might almost say cannot, come of itself. There is within the Institute a strong common interest, a great variety of experience, and abundance of goodwill and public spirit to provide a full and interesting life, but in the absence of a strong creative and co-ordinating effort, such as may be provided by an individual but never by a committee, the potential power of these elements cannot be harnessed.

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## *The 1924 Summer Conference of the Institute*

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# The 1924 Summer Conference of the Institute

By A. J. WALDEGRAVE, M.B.E.

THE second Summer Conference of the Institute of Public Administration was held at New College, Oxford, from the 18th to the 21st July, and those who attended agreed that four days could scarcely have been more profitably and enjoyably spent. There is a peculiar charm in the manner in which Oxford University, like her sister at Cambridge, can open her arms to receive temporary members and can throw over them the spell of her long traditions of the value of learning and of corporate service. To occupy an undergraduate's room and to catch the spirit of eager youth from his trustfully deserted belongings ; to take meals in hall, served in a style with which one hopes the modern popular caterer will never be allowed to interfere ; to wander about the quads and cloisters and gardens and into the chapels and other historic buildings ; to pole or paddle, or, better still, be poled or paddled, up the Cherwell and to picnic on its banks ; to attend service in the College Chapel and to have the sense of eternal things quickened by the soaring of organ tones and choir boys' voices into the ancient vaulted roof ; to be entertained at the Warden's house by such a charming host and hostess as Dr. and Mrs. Spooner and to listen to such excellent musicians as their daughter and niece ; these are experiences pleasant in any case, but pleasanter still when one finds that, so far from distracting attention from the main business of the conference, they create a feeling of common purpose and interest which facilitates discussion and advances mutual understanding of the subjects under consideration. Somehow, by all these things, the spirit which will gladly learn and if possible gladly teach, is evoked.

The conference, although not a conference of delegates, attendance being purely a matter of personal choice, was representative of practically all aspects of public administration. As regards the central Civil Service, there were representatives of the administrative departments which are most conveniently grouped under the designation of "Whitehall" ; of the legal departments ; of the Revenue departments, particularly of the Post Office ; and of the provincial civil servants whose headquarters are in London. Local Government was represented by councillors, town clerks, borough treasurers, education officers, surveyors, tramway managers and various other officials ; while a third group of representatives consisted of officials of the service associations. Nor was the academic side entirely

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absent : the chair was taken at the opening session by the Right Hon. H. A. L. Fisher, who combined in his remarks the experience of the practical administrator with the philosophy of the scholar, and at least one university lecturer on the subject of public administration was present throughout the conference.

The value of the conference arose to a very great extent from the variety of experience and the diversity of outlook represented, combined as this was with a fundamental similarity in the problems on which the members are engaged and a common interest in the performance of administrative service. The outstanding difference of view which manifested itself was that arising from the different conditions of the central service on the one hand and the local service on the other. While it cannot be said that these different conditions have produced two entirely distinct types of public servant, the dissimilarity is sufficient to give added interest to a conference in which both groups are represented. And when the subject discussed is a service in which both the central and the local authority have a share, the interest of the situation can develop to the point of piquancy.

The first session of the conference was devoted to a subject which inevitably brought out the difference between the local and central points of view. This subject was "The Appellate Jurisdiction of Central Government Departments," and papers were contributed by Mr. F. H. C. Wiltshire, Town Clerk of Birmingham, and Dr. I. G. Gibbon, Assistant Secretary of the Ministry of Health. Naturally, Birmingham could not be expected to see things from quite the same angle as Whitehall, and there were suggestions in Mr. Wiltshire's paper that interference by the central government department with the activities of the local authorities, particularly with those of the larger authorities, was often unnecessary, vexatious and merely obstructive.

The same complaint was made in the discussion, on the second day, of Sir Henry Maybury's paper on "Local and Central Authorities in the Development and Maintenance of Roads," and one speaker cited a particular case in which he alleged that the making of a road, on the desirability of which all the local authorities concerned were agreed, had been delayed solely by the necessity of reference to the Ministry of Transport. As it happened, Sir Henry Maybury remembered the circumstances of this case and the conference was amused to hear that the negotiations between these unanimous and aggrieved local authorities had occupied nine or ten months before the application to the Ministry of Transport was made.

It must not be supposed, however, that the discussion proceeded on lines of mutual recrimination or of mutual excuses for delays and failures in serving the welfare of the public. In this matter of reference to the central departments, points which emerged were that the right of appeal

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## *The 1924 Summer Conference of the Institute*

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from arbitrary decisions by local authorities was a valuable protection of the liberty of the individual, that consistency of standard and efficiency of practice throughout the country were facilitated by constant touch with the centre, that friction between neighbouring authorities necessitate some means of lubrication, and that there are still local authorities which need a guiding and at times a restraining hand. There can be no doubt that the discussion led to a clearer understanding of the proper relation between the central department and the local authority and of the aims and difficulties of those entrusted on the respective sides with the duty of attending to the interaction of the two branches of public administration. Without imagining that the conference was working miracles or initiating revolutions, one could recognize the development of a sense of co-operative effort and the replacement of a certain amount of suspicion and depreciation by mutual confidence and respect.

The discussion of "The Employment and Organization of Committees in Local Government Administration," on which a paper was contributed by Mr. C. Hammond Etherton, Clerk of the Lancashire County Council, illustrated in a special degree the value of a consideration by those engaged in the practical work of public administration of the principles underlying our actual administrative institutions. The defects of the committee system are obvious, and the Local Government official must often feel that management by a committee resolves itself into management of a committee: one speaker bluntly said that the official always knows better than the committee. But, as Sir John Anderson pointed out, our local governing bodies have provided an excellent field for education in the principles and practice of democracy, and it is well that officials should recognize the fundamental soundness of the system under which they have to work and should devote themselves cheerfully to their task, not with the feeling that they have to make the best of a bad thing, but that they are trying to make the best of a good thing. Some of the matters discussed were the relation between committees and the council which appoints them, the co-ordination of the work of separate committees, the preparation of agenda, the extent of the control of other committees by the finance committee, and the responsibility of executive officers. On all these points it was evident that there is considerable scope for the pooling of experience, for interchange of thought and for the careful study of administrative practice both in this country and abroad.

The subject for the last day of the conference was "The Administration of a Trading Department," and two papers were contributed, one by Mr. James Dalrymple, General Manager of the Glasgow Corporation Tramways, on "Municipal Tramways Administration," and the other by Sir William Noble, late Engineer-in-Chief of the Post Office, on "The Administration of the Post Office." It was satisfactory to find that

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speakers were able, with scarcely an exception, to discuss these subjects without trespassing into the controversial region of State *versus* private enterprise. It was recognized that the question for the Institute of Public Administration was not whether public utility services should be in public or private hands but how, in the cases where they have been nationalized or municipalized, they could be most efficiently administered. This did not rule out consideration of the effect on administration of the possession of a monopoly, which indirectly of course has a bearing on the question of policy. Indeed, the discussion of this point in connection with the refusal of the Glasgow Corporation to allow motor buses to run in competition with their system was an interesting feature of the session. The provision of safeguards against official complacency, the preservation of close contact with public needs and the development of methods of measuring efficiency, whether by "costings" or otherwise, were points which gained considerable attention.

It was to be regretted that the discussion of Sir William Noble's paper was carried on almost entirely by Post Office people. Many of the other representatives had left by early trains, apparently with the impression that the administration of the Post Office was not their affair. The same sort of feeling was probably responsible for the failure of some civil servants to attend the earlier part of the conference, at which Local Government topics were prominent; and the apparent predominance of these topics may even have deterred some members from attending the conference at all. This attitude, if it existed, was entirely mistaken, for nothing was more striking in connection with the conference than the way in which the local official's problems could throw light on those of the central official, and vice versa.

The Saturday afternoon was devoted to an informal discussion of some of the questions of policy and organization which confront the Institute of Public Administration now that it has passed its earlier stages; and it proved a good idea to take advantage of the gathering of members from various parts of the country to discuss such questions. The meeting was not, of course, a definite business meeting of the Institute and was unable to take formal decisions, but under the skilful and sympathetic guidance of Sir John Anderson, who was in the chair, the discussion provided an excellent means of letting the council know the views of the members on domestic affairs.

Two main problems came into view. One was the question of the participation of the provinces in the government of the Institute. As will have been gathered from the foregoing report on the proceedings of the conference, the interests and activities of the Institute are by no means confined to London, and it is important that provision should be made for a full share in the affairs of the Institute being taken by the members and associates outside the metropolis. The development of regional groups

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is one means of attacking the problem, and it was evident that there is a healthy movement towards the formation of such groups, but communication between the groups and the centre involves an expenditure of time and money which cannot easily be afforded. Various suggestions for more effective participation of the regional groups in the management of the Institute were made and there was a general feeling of hopefulness that a practical solution of the problem would be found.

The other outstanding question discussed was the relation between membership and associateship. Sir Henry Bunbury explained the distinction, on lines of professional status, reflecting experience and attainments and running parallel with those obtaining in other Institutes, which the division was intended to represent. It was evident, however, that in practice the drawing of the lines is no easy matter ; and the difficulty is increased by a disposition in some quarters to question the validity or propriety of the distinction, or, without definitely challenging the position, to ignore its financial and constitutional implications. Confusion had further arisen through the receipt of applications for admission as associates from public servants who were clearly qualified for admission as members. The discussion of this thorny subject was, however, carried on with perfect good humour and it produced a number of useful suggestions for the consideration of the council.

An account of the discussion in the conference room gives by no means an adequate conception of the effectiveness of the conference in providing an opportunity for the interchange of ideas and experience ; there was probably as much discussion of the problems of public administration outside the hours of formal conference as inside them. But conversation was certainly not confined to these subjects, and there was a general atmosphere of friendliness and gaiety which made the gathering a great social success. This happy state of affairs was largely the outcome of the excellence of the arrangements made for the comfort and pleasure of those who attended the conference ; and the appreciation and gratitude of the members were warmly expressed at the final session in votes of thanks to Sir Alexander Lawrence and Mr. A. C. Stewart, who were mainly responsible for the arrangements.

## The Appellate Jurisdiction of Central Government Departments

By F. H. C. WILTSHIRE  
(*Town Clerk, Birmingham*)

I HAVE experienced no little difficulty in satisfying myself as to the best method in which to present this paper to you.

The subject matter involved is of such wide dimensions and embraces so many phases of local government law and practice that it is impossible for me to deal with it comprehensively in the time and space at my disposal.

It is clear, I think, from the fact that Mr. Gibbon, of the Ministry of Health, is to follow me, that I am expected to consider the matter from the standpoint of the local authority, and, moreover, that it would be appropriate for me to direct my special attention to the appellate jurisdiction of the Ministry of Health. Far be it from me to suggest that Mr. Gibbon is not equally familiar with the question as it affects all other Central Government Departments, but it is obvious that some limitation of the scope of the subject is necessary in view of the time allotted for the two papers.

It is, perhaps, a commonplace to say that every system of judicature requires a final appellate tribunal to revise and control the judgments of the courts below. In all civilized communities such a reviewing power exists, and it is necessary, on the one hand, to correct any errors and remedy any injustice that may have been committed in the administration of the law, and on the other, to define and fix the law and preserve uniformity in judicial decisions.

The legislature in this country, as you are aware, makes the fullest provision for appeals through the superior and inferior courts in both civil and criminal matters, in order that justice may be done to His Majesty's subjects.

As an example of the care that is taken in this direction, it will be recalled that no less than thirteen judges recently sat as a Court of Criminal Appeal to hear and determine a point of constitutional importance concerning the admission of evidence to establish whether a certain person was an "habitual criminal" or not.

Inasmuch as, generally speaking, the function of the appellate courts

## Appellate Jurisdiction of Central Government

is to determine finally all matters of dispute between His Majesty's subjects, it is sometimes difficult to appreciate why the legislature has in different Acts of Parliament constituted the Central Government Departments as the final Court of Appeal in some matters, whereas under the same statute in respect of other matters the means of redress is through the courts.

What is the underlying principle? Is it that the legislature considers the matters so referred of small moment and that the determination of them by the departments is less expensive to the individual than by the courts, or is it that the courts are primarily intended to deal with disputes as between two or more of His Majesty's subjects, and that the Central Government Departments are to settle questions between a local authority and His Majesty's subjects? Or again, is it that the matters for determination by the central authorities are considered to be of an administrative character only and as not involving questions of law? If that be so, there are many exceptions to the rule. The Public Health Acts alone supply several examples.

Be that as it may, we nevertheless find that the Central Government Departments are almost wholly concerned in determining disputes between a local authority and an individual.

The question, therefore, arises, am I satisfied, from the point of view of a local authority, with this form of procedure? He is a bold man who dares at any time to question the functions of a Government Department, but if I venture to criticize, I trust that my observations will prove to be of a constructive character, and that any suggestions I may put forward will be accepted as made in all good faith.

The legislature having constituted Central Government Departments as courts of appeal in many matters of importance affecting local authorities, it may be useful to consider their status with that of the appellate courts of justice.

Lord Loreburn in the course of his judgment in *Board of Education v Rice* (1911), A.C. 179, which was an appeal against the decision of the Board's Inspector under section 7 (3) of the Education Act, 1902, stated—

In the present instance, as in many others, what comes for determination is sometimes a matter to be settled by discretion, involving no law. It will I suppose usually be of an administrative kind; but sometimes it will involve matter of law as well as matter of fact, or even depend upon matter of law alone. In such cases the Board of Education will have to ascertain the law and also to ascertain the facts. I need not add that in doing either they must act in good faith and fairly listen to both sides, for that is a duty lying upon everyone who decides anything. But I do not think they are bound to treat such a question as though it were a trial. They have no power to administer an oath and need not examine witnesses. They can obtain information in any way they think best, always giving a fair opportunity to those who are parties in the controversy for correcting or contradicting any relevant statement prejudicial to their view. Provided this is done,

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there is no appeal from the determination of the Board under sec. 7 (3) of this Act. But if the Court is satisfied that the Board have not acted judicially in the way I have described or have not determined the question which they are required by the Acts to determine, then there is a remedy by mandamus and certiorari.

Again, Mathew, J., in his judgment in *Eccles v. Wirral Sanitary Authority*, 1886, Q.B.D. 112, remarks as follows—

I should have thought that there was much weight in the argument that the Local Government Board could not be treated as a Court having exclusive jurisdiction in a case of this kind. It may be that if a party chooses to resort to that tribunal, he should be bound by what it does. But that it should otherwise be conclusive, is opposed to all principle. It is not a Court. No procedure is pointed out, and the idea is that the Board are to pronounce what judgment they choose though opposed to law and principles of equity, so long as they think it equity. That question is well deserving of very careful consideration and far more elaborate argument than it was necessary to address to us in this case. It is only because the Master of the Rolls seems to suggest it might be that the appellant should go to the Local Government Board that I do not pronounce a definite opinion upon it in this case.

While, therefore, the departments have in some respects greater powers than the courts of appeal, yet generally their decisions may be brought under review in those courts under certain circumstances by writs of mandamus or certiorari. The infrequency of such an event is in itself a fine tribute to the integrity and fair mindedness of the Civil Service of this country.

The central departments, possessing appellate jurisdiction, with which local authorities are more closely associated, appear to me to be the following—

1. The Ministry of Health.
2. The Board of Education.
3. The Home Office.
4. The Ministry of Transport.

### **(1) THE MINISTRY OF HEALTH**

Owing to the diversity of matters on which this Ministry is the appellate court, the most practical way perhaps will be to make a selection of them for consideration.

I will therefore choose those falling within the undermentioned headings—

- (a) Local Government areas.
- (b) Public Health Acts.
- (c) Housing.
- (d) Town Planning.

#### **(a) Local Government Areas**

The question of appeal under the various sections of Local Government Acts, e.g. Local Government Act, 1888, Sec. 57, L.G.A., 1894, s.s.

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9 and 36, in connection with the alteration of areas and boundaries in county districts, the setting up of urban districts and the constitution of joint committees raises many questions of an important and controversial kind. Disputes will clearly arise where the interests of contiguous authorities are in conflict, and it is difficult to see who should decide these issues except a central department of Government responsible to Parliament through the King's Ministers. Alternative methods of procedure by way of appeal to committees of the House of Commons or special commissions, or to panels of experts, have been suggested, more particularly in regard to the major questions of the creation of county boroughs or the extension of county borough boundaries, and these matters are now under review by the Royal Commission appointed for the purpose. It is obviously desirable, however, to avoid intermediaries as far as possible, and technical knowledge is always available through the Inspector of the Ministry, who is appointed to hold any inquiry.

### *(b) Public Health Acts*

Sec. 268 of the Public Health Act, 1875, confers a right of appeal to the Ministry upon persons aggrieved by decisions of a local authority under the following sections of that Act—

Sec. 23.	Expenses incurred by enforcement of drainage to undrained houses.
" 36.	" by enforcement of proper water closet accommodation.
" 41.	" by examination of drains on complaint of nuisance.
" 46.	" by purification of filthy houses.
" 47.	" by abatement of certain nuisances.
" 62.	" in provision of proper water supply to houses.
" 70.	" in closing polluted wells.
" 98.	" by local authority (in default of owner) in abatement of certain nuisances.
" 120.	" in cleansing and disinfection against infectious disease.
" 150.	" by local authority in respect of private street works.

Upon an examination of these sections, it will generally be found that the authority have themselves incurred expenditure in remedying the matter complained of, and have become entitled to recover such expenses in a summary manner. When the local authority accordingly proceeds to make a demand for payment or issues a summons, the person alleged to be aggrieved can appeal to the Ministry against such decision.

In view of the local character and somewhat minor importance of the matters referred to, I feel bound to ask myself the question whether it is appropriate that a Central Government Department should be troubled with appeals of this nature. The need for uniformity of action throughout the country in certain circumstances is admitted, but I submit that varying local conditions must play an important part in the matters

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mentioned in these sections, and for that reason I suggest that the department might well be relieved of many of these duties, and that appeals (if any) should be either to the Court of Quarter Sessions for the district concerned, or to some other tribunal of a more local nature.

It is worthy of note that the Private Street Works Act, 1892 (an adoptive Act), substitutes alternative procedure for that under sec. 150 of the Public Health Act, 1875, and abolishes the appeal to the Ministry. The local justices are empowered to deal with such matters entirely.

I may add that the Birmingham Corporation (Consolidation) Act, 1883, contains the like procedure, and indeed the Act of 1892 was, I understand, based upon our local experience in this matter.

Furthermore, the Public Health Acts (Amendment) Act, 1907 (also an adoptive Act), provides by sec. 7 that a person aggrieved by any decision of a local authority thereunder may appeal to Quarter Sessions.

The idea of relieving the Central Government Departments of hearing appeals evidently occupied the minds of the draughtsmen of the two public Acts, and as I have suggested the extension of the principle seems eminently desirable.

### *(c) Housing*

The Ministry's functions under this heading as an appellate authority are of a manifold nature.

I propose, however, to deal only with the question as it arises upon appeals under secs. 15 and 17 of the Housing, Town Planning, etc., Act, 1909, and sec. 28 of the Housing, Town Planning, etc., Act of 1919.

The right of appeal to the Ministry by a landlord arises at almost every turn of the proceedings initiated by a local authority under these sections to secure that the houses of the working classes are maintained in a condition in all respects reasonably fit for human habitation, and in respect of the closing or demolition of such houses when incapable of being made so fit. My experience of the inquiry by an inspector which follow any such appeal is that many matters of trivial importance are introduced and the proceedings generally are of an unnecessarily lengthy character.

Here, again, whilst admitting that the need for uniformity of procedure and decision is perhaps of greater importance than under the Public Health Acts, I suggest that local custom and standard of living vary so much in different parts of the country as to make it impossible for the Ministry to set a standard of repair to which the whole country should conform. Moreover, expedition in the determination of appeals is of importance in these cases, and, although I do not dispute for a moment that the Ministry work as rapidly as they can, there is under the present system considerable delay in getting the appeals determined.

It is perhaps true to say that local authorities are not exercising these

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powers as fully as they should. This in my opinion is due to the fact that until the Housing Act, 1923, was passed local authorities could be placed in the anomalous position of having repaired a house in the case of a defaulting landlord and yet be unable to recover the expenses incurred, since the landlord was entitled to appeal, when demand for payment is made, on the ground that the repairs were unnecessary in the first instance.

Since this has now been remedied, it is reasonable to expect that authorities will make far greater use of their powers in this direction, with the result that the Ministry will be called upon to deal with larger numbers of appeals under these sections.

In my opinion, for the reasons I have given, these matters could be dealt with more expeditiously, and, if I may say so, as efficiently by experienced local surveyors or architects acting as arbitrators, who would have a greater knowledge of local standards and requirements.

### *(d) Town Planning*

The Housing, Town Planning, etc., Act, 1909, sec. 54, provides that a town planning scheme when approved by the Minister shall become in effect an Act of Parliament.

It will be seen, therefore, that the Minister is the supreme authority in this matter.

The importance of having a co-ordinating body to direct and control the development of the country as a whole, particularly in view of the modern idea of planning upon a regional basis by means of advisory councils cannot be over-estimated.

So far, therefore, as the preparation of town planning schemes is concerned, the Central Government Department is essentially the right authority to hear and determine all appeals arising therefrom. They have the experience and the means of collecting evidence and statistics which are so vital if the country is to be town planned in a scientific manner.

It is in regard to the appeals arising under the schemes when made that I have a somewhat contrary opinion.

The making of town planning schemes is still, comparatively speaking, in its infancy, and it has been necessary to proceed with caution in the interference with private property. For this reason it will be found that schemes made hitherto contain numerous opportunities of appeal for persons affected by the scheme or by anything done by the authority in pursuance of it.

Birmingham, as you may be aware, has not been inactive in town planning, and the earlier schemes generally provided that all such appeals should be determined by the Ministry.

As a result of experience, however, it has been considered that many of the matters involved could be more satisfactorily determined by a local

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tribunal, and consequently in our later schemes, the local justices have been substituted for the Ministry as the appellate court.

It may be thought that the possibility of local bias should be considered, but in my opinion the danger of over-centralization in the determination of all such matters, many of them unimportant, is more to be feared.

Another aspect of the case is that inasmuch as the Ministry is responsible for approving the scheme, an appellant may perhaps feel that in appealing to the Ministry he is approaching an interested party.

### (2) BOARD OF EDUCATION

In contrast to that of the Ministry of Health, the appellate jurisdiction of the Board of Education is limited in its scope.

The most fertile source of appeal is under sec. 29 of the Education Act, 1921, which supersedes sec. 7 of the Act of 1902, and which prescribes the conditions to be observed in the conduct of non-provided schools. Disputes between the managers of schools and the local education authority frequently arise, upon which the courts are called upon at times to decide whether the Board has jurisdiction to determine the appeal. These conditions include the nature of secular instruction to be given, the dismissal of teachers on educational grounds, the consent of the authority to appointment of teachers.

Appeals also arise under sec. 3 for determining the purposes for which the authority may exercise the powers of the Act in regard to elementary or higher education, under the Superannuation of Teachers' (Contribution) Rules, 1922, and under the Education (Institution Children) Act, 1923.

In all these matters, there is little doubt I think that the Board of Education is the most appropriate appellate authority.

Educational instruction and management in the elementary and secondary schools undoubtedly to some extent require guidance by a central Government Department, and that being so in certain matters of administration it is desirable that they should be the determining body.

One anomaly that occurs to me is under sec. 101 of the Act of 1921, whereby the Board determine appeals against the decision of a local education authority in respect of the grant of licences to children to take part in entertainments in places of public amusement.

In my view, appeals of this character are too insignificant to warrant the attention of a Central Government Department, and they should be dealt with locally.

### (3) HOME OFFICE

The legislature has not conferred appellate jurisdiction on this central department to any appreciable extent. The Shops Acts, 1912-1920, constitute, however, an instance.

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Under the Police Acts, in the cases in which an appeal does lie, it is usually to be determined by an independent person nominated by the Secretary of State.

The department now determines appeals under sec. 15 of the Representation of the People Act, 1918, concerning the expenses of the registration of electors. Inasmuch as the expenses incurred are payable by the State and the local authority in equal shares, the department can scarcely be regarded as a wholly disinterested tribunal. It is, however, difficult to make any alternative suggestion.

A further appeal exists under sec. 31 whereby any thirty electors in a constituency may do so in regard to the formation of polling districts or polling places on the ground that they are unsuitable or ineffective. A matter of this kind should, in my opinion, be capable of adjustment locally.

The limited nature of the appellate jurisdiction of this department is perhaps accounted for by the fact that the control of the police forces of the country is its main function so far as its association with local authorities is concerned. The Police and Municipal Corporation Acts place the management of local police forces almost entirely in the hands of watch committees, and they are the appellate authority in police matters.

The department, however, is able to exercise an over-riding control by means of the issue or non-issue of the certificate of efficiency which is essential before any local authority is entitled to receive the Government grant of one moiety of the expenses incurred in maintaining a police force.

### (4) MINISTRY OF TRANSPORT

Important powers of a wide character are conferred upon this central department by the Ministry of Transport Act, 1919. Appeals to the Minister arises under—

Sec. 11, as to restrictions upon traffic over bridges and the maintenance or strengthening thereof.

Again, the central department would appear to be the most suitable authority for the purpose, and no alternative procedure is suggested.

The Roads Act, 1920, sec. 14 (3), also confers an important appellate jurisdiction on this department upon decisions of licensing authorities respecting the establishment of new routes for omnibuses. It is noticeable that the Act especially provides that any Order made by the Minister thereunder shall be final and not subject to appeal in any court, and shall, on the application of the Minister, be enforceable by mandamus. It is, I think, a somewhat unusual form of draughtsmanship and will not be found in many Acts of Parliament.

The wisdom of its introduction may be doubted. The Local Licensing

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Authority (i.e. the watch committees) is clearly the body best fitted to judge the circumstances of the case, and if they act otherwise than with strict impartiality and in good faith the unsuccessful applicant has his remedy through the courts.

The only other comment I have to make, not strictly, perhaps, within the scope of this paper, is that there would appear to be a danger of this department becoming involved unnecessarily in matters of detail. For instance, Birmingham in 1919 obtained parliamentary powers to lay certain tramways on the modern principle of a separate sleeper track. Authority was given to the Corporation to provide adequate crossing places in such positions as they thought fit.

The Corporation are now seeking an extension of these powers for further tramways and desire the same freedom as before as to crossing places for traffic, but the Ministry require their approval to be first obtained to the position of any crossing place. It is not inconceivable that the local authority should be the best judge of its own traffic needs, and could be relied upon to act with discretion.

### GENERAL

In the selection of the above central departments I believe I have chosen those which have the responsibility of deciding the majority of appeals which may be said to affect local authorities. I have in the examples given by no means exhausted the number.

For instance, the Ministry of Health have certain appellate jurisdiction under the Lunacy Acts, the Rivers Pollution Act, 1876, and the Midwives Act, 1918, but they are, I think, of infrequent occurrence and a passing reference will suffice.

Other central departments such as The Board of Trade, the Ministry of Agriculture and Fisheries, the Treasury and Ministry of Labour have little appellate jurisdiction, this duty being mainly carried out by arbitrators or by impartial persons nominated by the central departments. There are also what I may call quasi-Central Government Departments, such as the Charity Commissioners (the appellate tribunal under the War Charities Act, 1916), the Railway and Canal Commissioners (under the Railway and Canal Traffic Act, 1888), the Electricity Commissioners (under the Electricity (Supply) Act, 1919). Local authorities are at times closely concerned with one or other of these bodies who have been especially appointed by the central departments for the purpose, and I have no comments whatever to make in regard to them.

I have confined my remarks so far on the subject matter of this paper within its strictest interpretation. I would, however, like to make a few general observations on the relationship between Central Government Departments and local authorities as they are prescribed by the various Acts of Parliament.

## *Appellate Jurisdiction of Central Government*

It appears to me that the emancipation of local authorities from central government control has not corresponded with the advance of the local authorities in status and importance.

On this point it is, I think, an interesting matter of comment that the Central Government Departments as we now understand them have a far shorter history than the Courts, and until the end of the eighteenth century these departments remained "the executive" for the purposes of the comparatively modest activities of the Government of those days; but in consequence perhaps of the influence of Jeremy Bentham and others in the early thirties of the last century, they gradually developed and increased, from the passing of the Reform Act, 1832, in importance and in the scope of their activities, until it has now become almost a question whether they have not expanded beyond the sphere which they were originally created to fill.

The political and social importance of Britain's larger towns has been compared without disparagement to that of the constituent states or provinces of the British Dominions beyond the seas, and certainly in the multiplicity of the responsible duties which as governing authorities they are called upon to perform they outrival even the Metropolis itself.

Nevertheless, there still seems to be in the minds of the supreme authority a disposition to distinguish the Metropolis from those parts of the country by classing them under the somewhat dubious description "the provinces." As a matter of social history, there is some irony in the recollection that the great English cities of to-day would not, even if they desired it, be entrusted (to cite a single example) with those powers of land acquisition which were conferred on London vestries by Michael Angelo Taylor's Act, 1817.

Assuming, however, that it was not unreasonable, even as late as the days of the Public Health Act, 1875, and the Municipal Corporations Act, 1882, that local authorities should be controlled by the central departments whose consent was so frequently made essential to the exercise of their powers thereunder, yet one would imagine that with the experience gained and the development in size and importance of the local authorities of this country since those days, a far greater measure of freedom of action in modern times would have been vouchsafed to them, or at any rate to the more important ones. Unfortunately, I think, very little progress in this direction has taken place.

As an example, may I instance the Birmingham Municipal Bank. Birmingham obtained powers in 1919 to establish this bank, and it has proved an enormous success. Since then several other large authorities have endeavoured to obtain similar powers, but have failed. Is it that Parliament considers they are not to be trusted? Again, in the same year Birmingham secured powers to purchase lands which they considered essential for the development of their city or for their undertakings,

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but which were not immediately required for any specific purpose without having to obtain the consent of the Ministry of Health. It was regarded as a new experiment by the Legislation Committee and Birmingham was fortunate enough to be thought worthy of exercising the new powers with discretion. I believe since that date one or two other large municipalities have obtained similar powers.

With these exceptions, no local authority even now can acquire any land in anticipation of its needs, and, as so frequently happens, when the need occurs later, the land may be no longer available.

The Housing and Town Planning, etc., Act, 1919, furnishes a good example of the devastating effect of over centralization in the matter of control. The Act of 1923 certainly did confer far greater freedom of action upon local authorities in the building of houses, but the Bill on this subject now before Parliament, judging from a somewhat cursory examination of it, would seem to indicate a restoration of central government control.

Bearing on these remarks, I have already referred to the Ministry of Transport desiring to be concerned in the fixing of crossing places for sleeper track tramways, and I would finally mention that in many of the services, such as Maternity and Child Welfare, Venereal Disease, and Tuberculosis, to which the State pay 50 per cent of the expenses, and indeed in matters of education also, the work of the local authorities is at times rendered difficult by reason of the amount of control imposed by the central departments.

In conclusion, these observations lead me to suggest that it is not only in the direction of the appellate jurisdiction of the departments that there is room for improvement, but rather that, having regard to the immense development of local government in this country and to the new services and duties which are constantly being imposed upon local authorities by Act of Parliament, there should be a far greater devolution of powers to local authorities and without central control. There is a danger of the central machinery becoming clogged, if indeed it is not so already.

The time has not yet arrived for regional parliaments, and it is a matter for argument as to whether it ever should, but at any rate that time could be considerably postponed, in my opinion, if local authorities were entrusted with greater executive powers without central control in matters of local government, and if my suggestions with regard to the appellate jurisdiction of certain departments were adopted.

By these means the departments would be relieved of an immense amount of work, which would have the result of facilitating generally the local government of this country.

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## *Appellate Jurisdiction*

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# Appellate Jurisdiction

By I. G. GIBBON, C.B.E.

### THE ADMINISTRATIVE AND THE JUDICIAL

1. IT is essential to distinguish between the administrative and the judicial, if the appellate jurisdiction of Government departments is to be properly considered.

In judicial matters the standard is generally set down definitely in the law, and it is the duty of the courts to ascertain the facts and to apply that standard in accordance with settled legal principles. The law, for instance, lays down definitely what constitutes theft or what gives the right to a divorce.

In administrative matters, on the other hand, discretion is left to the administering authority, subject to the limitations prescribed in the law.<sup>1</sup>

There are, however, classes of cases which partake of the judicial and the administrative, where decision rests ultimately on an administrative standard but where the case has to be determined in a judicial spirit and in a judicial manner, and with strict regard to equity between individuals and between the individual and the public authority. Thus it is the administrative body that determines, subject to certain rights of appeal, whether a house is unfit for human habitation, whether there is a "sanitary" nuisance, or, to take another class of case, what is the standard of construction of a street for which frontagers may reasonably be required to pay.

In both cases, of course, the facts have to be ascertained; but in administrative-judicial matters the facts are generally of a technical nature and are, therefore, best ascertained by men of technical competence. It would be manifestly erroneous to suppose, however high may be reckoned the virtues of the ordinary procedure of the courts, and they are high, that those methods are always and in all circumstances the best for ascertaining facts. No man, for instance, outside the garrulous kingdom of the tongue, would think of using these methods for the ascertaining of scientific facts. ". . . certain ways and methods of judicial procedure may very likely be imitated; and lawyer-like methods

<sup>1</sup> In some instances it is not easy to decide whether a local authority or Government department are acting judicially or administratively. The point becomes of importance in deciding whether a writ of prohibition would lie against the act of which complaint is made. If the act is judicial, prohibition lies; if administrative, the writ would not be issued. It was recently decided that inasmuch as the powers of the Electricity Commissioners to make orders for the formation of electricity districts affected both individuals and property, those powers should be exercised judicially and that a writ of prohibition might be addressed by the High Court to the Commissioners (*Rex v. Electricity Commissioners*, 1923). On the other hand, in a case of 1893 it was doubted whether a county council in making an order (under sec. 57 of the Local Government Act, 1888), for the alteration of the boundary of a parish, acted judicially, and such an order would seem to be an administrative act.

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may find especial favour from lawyers. But that the judiciary should presume to impose its own methods on administrative or executive officers is an usurpation," so said one of the ablest of our judges.<sup>1</sup>

It does not follow that this exact distinction between the purely judicial and the administrative-judicial prevails in every case, but the distinction is there and is of fundamental significance.

### CONFIRMATION AND APPEAL

2. Another distinction which it is well to bear in mind, though not so important for present purposes as the one just stated, is that between (1) the confirmation by a superior authority of action by other bodies and (2) the decision of cases on appeal.

Local authorities, for instance, have certain powers of local legislation—the power to make local by-laws, which may very substantially affect the rights of individuals. It is generally provided that by-laws of this kind have to be confirmed by a central department before they can come into force. To the same class belong the numerous cases where local authorities have to obtain the sanction of a central department before they incur expenditure out of loans.

Here, again, between the confirmatory and the appellate the distinction is not always quite clear. Thus, in the case of the confirmation of a by-law or the sanction to a loan, an individual who may consider that he will be injured has the opportunity of stating his objections to the confirming authority and to have them considered. Nevertheless, here also the distinction is quite clear in principle.

### RIGHT OF APPEAL

3. It is a cautious, and on the whole a very salutary, practice of English law frequently to give a right of appeal to persons individually affected by the acts of a public authority. Thus, even in the case of an ordinary nuisance, when a person refuses to abate it of his own accord on the demand of the local authority, action in default can be taken only on an order of the justices, and before such an order is made the individual has the opportunity of stating his objections.

Even where local authorities are empowered to carry out works which they think necessary, such as repairs to a defective drain, they can compel payment from the owner only on an order of a Court of Summary Jurisdiction, and, while the courts cannot enter into the merits of such a case unless this is so provided in the statute, their jurisdiction is not, even in these cases, purely ministerial. Thus, in a recent case which came before the courts, it was pleaded on behalf of the owner that, whatever might be the merits or demerits of the case for requiring the repairs, the time which had been given to the owner to carry them out

<sup>1</sup> Lord Shaw of Dunfermline, *Local Government Board v. Arlidge (House of Lords)*, 1915; A.C. 120.

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of his own accord was inadequate ; the court supported this plea, with the result that decision was given against the local authority and they were not enabled to recover the cost of the repairs.<sup>1</sup>

The right of appeal is a safeguard ; the general sanity of our administration secures that the proportion of appeals to the number of cases dealt with by public authorities is very small indeed.

### APPEAL TO THE COURTS OR TO A CENTRAL DEPARTMENT

4. The appeal which is provided is often to the justices, with a further appeal to quarter sessions ; but in many cases the appeal is to a central department, usually the Minister of Health.

There is no clear distinction between the classes of cases for the justices and for the central department. Indeed, in some cases, two alternative procedures are provided for the same class of questions. Thus, with regard to the making up of streets, if a local authority proceeds under the Public Health Act of 1875, appeal will lie to the Minister of Health ; if, on the other hand, they have adopted the Private Streets Works Act of 1892, appeal on the very same kind of questions lies to the justices. Whether in any particular piece of legislation it is provided that appeal shall be to the justices or to the central department appears to have depended largely on the whim and temper of mind of the moment.

It cannot even be said that later years indicate one tendency more than the other, although, in the earlier Housing Acts, certain questions went to the justices, whereas in later Acts it is provided that they shall be brought before the central department.

It might be considered that the later measures of jurisdiction tend to become more technical and to require wider administrative experience for their decision, and that this would tend towards appeal to the central department ; but this tendency is counteracted by the desire to provide an expeditious procedure and by the reluctance, a sound reluctance, to weight central departments with too much detail work.

### THE CENTRAL DEPARTMENT AS AN APPELLATE BODY

5. Looking at the question first from the administrative side, in theory, it can scarcely be denied that a court of justice is not exactly the appropriate body for fixing administrative standards. This conclusion is supported to some extent by the history of the subject. The present position of the justices as appellate bodies in administrative matters is not altogether a judicial heritage. It must be remembered that, before the sweeping reforms of the last century, the justices constituted the principal local government bodies of the country ; and it is at least arguable that the prominent part which they still play in local administration is due largely to that fact.

So far as the fixing of administrative standards is concerned, on paper a

<sup>1</sup> *Ryall v. Cubitt Heath and Others* (1922), 1 K.B. 275.

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strong case could manifestly be made out that any appeal from an administrative body should be to a higher administrative body, in the last resort to the central department, that is, to the Minister who is responsible to Parliament, the depository of final power, where he can be questioned and brought to book as regards the general administration of his department.

It is noteworthy in this connection that very little use has been made in our local government of the county councils for deciding appeals. This is partly due to the fact that the main outlines of modern local government were determined before county councils were born ; that there is a deep-rooted, and in some ways unfortunate, jealousy of the county councils by lesser authorities, and that, after all, England and Wales is a relatively small country where matters of this kind can readily be dealt with by the central department, who can employ an expert staff for the purpose and can pool the whole experience of the country, a matter of moment for administrative efficiency.

Logically, we seem to be driven to say that in administrative matters the central department is in fact the right final Court of Appeal. Fortunately, however, we are a people driven more by the convenience of action than by the mere logic of argument.

Generally speaking, the less the central department interferes in details, the more it is restricted to general supervision and guidance, the higher is likely to be its efficiency. Furthermore, it is important in most cases of administrative appeal that the procedure should be expeditious, cheap, and convenient. The justices are at the door ; on the whole, though not without some exceptions, their work is satisfactory, and there is a general readiness to accept them as honest and impartial arbitrators of solid common sense. As a people, we have a saving belief in the rough and democratic sense of the ordinary man, and, so long as justices do their work with a reasonable measure of impartiality, there is not likely to be any material departure from the present practice.

6. This conclusion is reinforced when we consider the judicial, as well as the administrative, aspect of these questions. Neither local authority nor central department (when the appeal lies to them) are warranted in deciding cases by standards fixed at their fancy. They must act reasonably and in a strictly judicial spirit. From this point of view, therefore, there is a strong case for using the ordinary courts of law.

The degree in which the administrative and the judicial enter into issues differs much in different classes of cases ; and this fact provides some guidance as to the kind of appeal which should be provided. It varies to some extent according to the degree to which definite standards have been formed by instructed opinion. Thus, in the case of an ordinary nuisance, the standard is so definite that the judicial element predominates ; it is less in the ascendant in such cases as determining the standard to which a street should be made up at private expense, and still less as

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to whether, for instance, a cinema should be allowed in a district which has been set aside primarily for residences. But whatever the relative proportions of the administrative and the judicial, it cannot be too strongly emphasized that all these cases have to be decided in a judicial spirit.

### PROCEDURE OF CENTRAL DEPARTMENTS

7. The usual procedure is for an inspector of special knowledge and experience to hold a public inquiry in the locality, at which he hears all sides and gives full opportunity for all interested persons to make representations. The inspector also makes his own personal investigations by actual inspection of the house or other subject of the inquiry. He then makes his report to the Minister, which is considered in the department and decision given.

I will deal, for brevity, only with two of the main objections which have been raised to the present procedure. They were argued at considerable length in the well-known case of *Local Government Board v. Arlidge* which was decided in the House of Lords in 1915.

The objections (which, it may be mentioned incidentally, have received little support from persons of weight and in regard to which some trenchant remarks were made by some of the judges in the case to which I have referred) arise, I venture to think, from the failure to appreciate the distinction between the administrative and the judicial and to inexperience of the practical issues which have to be decided. The fish, no doubt, wonders why any living being should be so insane as to live out of water and, as was said by Lord Shaw, "lawyer-like methods may find especial favour from lawyers." Nor is the procedure of the courts, which is the outcome of long generations of effort for liberty and justice, lightly to be disregarded—nor, on the other hand, thoughtlessly to be applied to subjects to which it is not pertinent.

8. In the first place, objection is raised because the reports of the inspectors who hold the inquiries are not published. On the face of it this does not seem an unreasonable grumble, but the following facts have to be borne in mind.

The inspector reports, but he does not decide. Speaking of the procedure in the Ministry of Health, the department most concerned in central appeals, the recommendations of the inspector are by no means taken for granted, but, on the contrary, the facts and circumstances are closely considered, and even the inspector himself may have to stand a very severe cross-examination on his report and findings.

It has to be remembered also that decision depends not simply on bare facts but on the relative emphasis placed on the facts.

It is the Minister who technically decides, even though it is not only the most important cases that may come under his personal notice ; but his is the responsibility in all cases. The logical answer to the claim that

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the report should be published is, that the inspector himself should decide finally the matter at issue—and this is not a conclusion to be commended either in the interests of good administration or of individual appellants.

An incidental consideration, one of great practical importance, is that, if the best reports are to be obtained, then these reports should be confidential ; that is a statement to which, I think, no person of proved administrative experience would take exception. A further statement by Lord Shaw in his judgment in the case to which I have previously referred may usefully be quoted : “ I incline to hold that the disadvantage in very many cases would exceed the advantage of such disclosure. And I feel certain that if it were laid down in courts of law that such disclosure could be compelled, a serious impediment might be placed upon that frankness which ought to obtain among a staff accustomed to elaborately detailed and often most delicate and difficult tasks ” ; and Lord Moulton added : “ Like every administrative body, the Local Government Board must derive its knowledge from its agents, and I am unable to see any reason why the reports which they make to the department should be made public. It would, in my opinion, cripple the usefulness of these inquiries. . . . Such a practice would, in my opinion, be decidedly mischievous.”

9. There is every indication that the present practice meets with the public confidence—an essential to sound administration. Indeed, the pressure in some quarters is towards extending the appellate jurisdiction of central departments rather than for reducing it.

There is one practice which would help still further to establish that public confidence and to remove any tendency to suspicion which might arise from the notion that matters are being decided behind a curtain—namely, that in conveying decisions in contended cases, the reasons for them should be stated. It may not be wise to adopt this course in all classes of cases, but it may well be made the general aim. However excellent and sage be the general advice, “ Give your decision, it will probably be right ; do not give your reasons, they will probably be wrong,” it should not always carry weight with a Government department—though the advice has its good points even for administration ; but mark that it was given for matters of law !

There are also other advantages which result from giving the reasons for decisions. The decisions then provide better guidance for other local authorities. In addition, a body of doctrine is gradually evolved, of much interest for administrative science and of much service for administrative art. Incidentally also, it is not bad discipline for the department to be required to set out clearly in a public document why it has come to its decisions.

10. In the case to which I have referred, complaint was made that the appellant had not been allowed to appear before the person who actually

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decided the case—an offence which might appear heinous to one who looks at it simply as a lawyer. As already stated, the decision is technically that of the Minister, but it is manifestly not practicable for the Minister personally to decide all cases.

Again, it may be conceded that on paper there is something to be said for the plea, though the repetition of argument, sometimes, characteristic of law, is not likely to appeal to the administrative mind, but it is not departmentally practicable, except at the cost of efficiency and, in the long run, to the detriment of the appellant, for cases might then have to be decided with much less consideration and much less authority than under the present procedure. Furthermore, the fundamental principle of ministerial responsibility would be sacrificed, for manifestly there would have to be full delegation of duty, with no responsibility on anybody else, to the person by whom the case is finally decided. As it is now, there is considered consultation between different officials; the technical is tempered by the administrative and the youthful by the experienced, and mature judgment is brought to the issue with no small gain to good government and no small advantage to appellants.

### DEVELOPMENTS

11. It is not likely that the class of cases in which appeals are allowed will diminish. The dominion of local government is constantly being extended and is reaching into still more intimate concerns of life, where there is all the stronger reason for the right of appeal.

Questions at issue tend to become more technical and to call for a wider range of administrative experience for their wise decision; and in consequence there is some tendency to look away from the justices and to turn to the central department.

This tendency is especially marked in connection with such a subject as town planning, where the local authority has a wide control of local development and private interests are closely affected; the general benefit of a proposed scheme to the community as a whole may be manifest, but it does not always follow that it is acceptable to each individual interest. The model clauses which have been issued by the Ministry of Health are peppered with the right of appeal, which it has been felt essential to concede in fairness to private interests; the appeal generally lies to the Minister of Health, and this provision has met with the approval not only of local authorities but also of private interests.

I am not myself enamoured of the prospect of the wide extension of the appellate jurisdiction of central departments. Not that I think that this jurisdiction is not theoretically right, but because I rate high the inevitable danger that it may lead to neglect of more important matters of more general scope. There is at present no available alternative except appeals to the justices; and, however strong may seem to be the

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objections on paper to this course, in practice the system on the whole works well and can bear still further extension.

We are not likely in this country to take kindly to the continental system of special administrative courts. We believe in the reign of law, and that the law of the ordinary courts free from taint; and, as history has shown, we will do well to maintain that belief.

It is doubtful whether there is likely to be any very big extension of the use of county councils as bodies of appeals; and, in any event, they could not act in cases arising in the county boroughs.

An alternative which has been considered from time to time is the appointment of special local committees of selected persons to deal with certain classes of appeals, such as those arising, for instance, in town planning; and this procedure has some support from developments in the United States. But, here again, we have to take account of the fact that local authorities, not without reason, do not take kindly to special *ad hoc* unrepresentative bodies of this kind, which in effect have a certain measure of jurisdiction over them. A possible development of the existing system, one more in line with our general constitution, would be to provide that certain important classes of appeals shall be made not to the justices in the ordinary way but to special courts of the justices, a course which would not be altogether an innovation.

12. The conclusions which appear to me to result from the consideration of the history and present conditions of the subject may be stated thus—

We would do well to retain, in the main, the present system, introducing modifications only so far as clearly shown to be necessary.

The justices provide an appeal which is sound on the whole, is convenient and expeditious and generally gives satisfaction.

The central department should be made the appellate body only in those classes of cases where the administrative or technical issues predominate and are such that an informed decision is not to be expected from a lay body like the justices, but even then only in the classes of cases with very important issues.

If it should arise, owing to the extension of government, that the cases in the last mentioned class become very numerous, rather than an inordinate expansion of the central departments and the danger of their absorption in detail, it would be preferable to establish special appellate bodies, with personnel suitable for deciding the questions which would come up for consideration—unless, a still better course if found practicable, special and satisfactory arrangements could be made under which such cases could be confidently entrusted to the justices.

Whatever be the machinery, even its efficiency is of second importance compared with the fundamental need of public confidence; given an efficient and fair system, it is for informed persons to do what they reasonably can to spread a feeling of confidence in its equity.

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## *Organization in Local Administration*

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# Employment and Organization of Committees in Local Government Administration

By G. HAMMOND ETHERTON, J.P.  
*Clerk of the Lancashire County Council*

THE past few decades have witnessed a remarkable increase in the functions and duties placed to the care of local government authorities, an increase growing and constant, yet almost imperceptible, except, perhaps, to those immediately called upon to administer those functions and duties. Machinery which in the old times was sufficient for its limited purpose has become obsolete, and new obligations on local authorities demand new methods and new measures.

The total population in all urban areas in England and Wales (excluding London) rose from 16,663,386 in 1891 to 25,551,136 in 1921; in rural areas over the same period it declined from 8,107,021 to 7,850,857, the total population of England and Wales (excluding London) being, in 1921, 33,401,993, as against, in 1891, 24,770,407; moreover, there does not appear any ground for assuming that there has yet been any permanent departure from the conditions which during the past fifty years have resulted in a natural increase of approximately 400,000 per annum for Great Britain.

The gross expenditure on public health services, by local authorities in England and Wales, outside London, per head of the population, was, in 1919-20, 13s. 3d., whereas in 1895-96 it was 3s. 8d. (tuberculosis, venereal, maternity, etc., services not being then provided); and the gross expenditure by different classes of local authorities (excluding London and poor law authorities), in the year 1919-20, on principal services was no less than £153,751,899, excluding trading services, and including the latter, £231,033,181.

The time, then, has come, indeed if it has not already passed, when the problems of local government have attained such dimensions that attention must be directed to the consideration of judicious arrangement in the conduct of local government affairs as will, on the one hand, produce efficient and businesslike results and, on the other, lighten the burden on public men.

A council composed perhaps of 50, 70, or 150 members may direct

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policy and decide principles, but is an impossible body to give judgment on the multifarious problems falling to the lot of local government authorities to solve in these days. It has neither the time nor the knowledge. The question then arises of the effectiveness and appropriate sphere of committees in local government, involving consideration of extended application of the policy of delegation to small and compact committees, charged with wide powers from which may flow a greater sense of responsibilities entrusted to them.

There are probably very few authorities to-day who do not, in fact, carry on a good deal of their business through the medium of committees, under powers vested in them, to appoint from time to time, out of their own body, such and so many committees, either of a general or special nature, and consisting of such a number of persons as they think fit, for any purpose which in the opinion of the appointing council would be better regulated and managed by means of such committees, provided that the acts of every such committee are submitted to the council for their approval.

County councils have special powers of delegation with or without any restrictions or conditions, as they may think fit, of any powers or duties transferred to them by or in pursuance of the Local Government Act, 1888, to any committee of the county council or to any district council, provided that they may not delegate any power of raising money by a rate or loan.

Moreover, the principle of constituting committees with autonomous powers has long, although in a limited sense, been recognized by Parliament, reserving, however, to the councils the exclusive prerogative of raising rates and the borrowing of money. There are several well-known instances of committees so constituted by statute. One, perhaps the most important, although the obligation to appoint it is on county councils only (apart from a similar obligation imposed on Metropolitan boroughs by the London Government Act, 1899), is that which prescribes that every county council shall, from time to time, appoint a Finance Committee for regulating and controlling the finance of their county; and that an order for the payment of a sum out of the county fund, whether on account of capital or income, shall not be made by a county council, except in pursuance of a resolution of the council, passed on the recommendation of the Finance Committee; and (subject to certain provisions with respect to the County Standing Joint Committee), any costs, debt, or liability exceeding £50 shall not be incurred, except upon a resolution of the council, passed on an estimate submitted by the Finance Committee, the notice of the meeting at which any resolution for the payment of a sum out of the county fund (otherwise than for ordinary periodical payments), or any resolution for incurring any costs, debt, or liability exceeding £50 will

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be proposed, stating the amount of the said sum, costs, debt, or liability, and the purpose for which they are to be paid or incurred.

Councils of boroughs with a separate police force are required, from time to time, to appoint a sufficient number, not exceeding one-third of their own body, who, with the mayor, are to be the Watch Committee, and they may act without reference to the council, except as to payments to be made for the purposes of the borough constabulary force.

For the purpose of the police and certain other matters, there is, by statute, required to be a standing joint committee in counties, consisting of such equal number of justices appointed by the quarter sessions, and of members of the county council, appointed by the council. This statutory committee stands in an exceptional position in that for the purpose of their powers their expenditure is subject to no over-riding control.

Under the Ministry of Agriculture and Fisheries Act, 1919, the council of every county (other than the London County Council) must, and the London County Council and the council of any county borough may, establish an agricultural committee, constituted in accordance with a scheme made by the council and approved by the board. Such committee may consist partly of persons who are not members of the council. The council may delegate to the agricultural committee, with or without any restrictions or conditions, any of their powers; and if so provided by the scheme, any powers so delegated may, in like manner, be delegated by the agricultural committee to a sub-committee, and the latter may consist partly of persons who are not members of the council, or of the agricultural committee; but at least the majority of the agricultural committee must be appointed by the council, and not more than one-third of the members must be appointed by the Board of Agriculture.

Then, too, there is the well-known instance of the committee for education which every council, having powers under the Education Act, 1921, is required to constitute in accordance with the Act, provided that the council have the appointment of at least a majority of the committee, and the persons so appointed must be persons who are members of the council, unless, in the case of a county council, the latter otherwise determine; and the committee must include persons of experience in education and persons acquainted with the needs of the various kinds of schools in the area for which the council acts, and there must be women as well as men among the members of the committee. The powers of delegation are complete, except that the council must retain in its own hands the power of raising a rate or borrowing money.

There are various other committees which Parliament has prescribed to be set up by certain local authorities, and which, generally speaking,

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have considerable executive powers, but cannot raise rates or borrow money except with the approval of their respective councils. The committees I have in mind are—

(a) The committee for the care of mental defectives.

(b) The committee for maternity and child welfare work (where prescribed powers are undertaken).

(c) The small holdings and allotments committee.

(d) The executive committee under the Diseases of Animals Act, 1894.

There are others, such as the distress committee, under the Unemployed Workmen Act, 1905; the hospitals committee under the Isolation Hospitals Act, 1893 (where a hospital district has been constituted); and the public health and housing committee under the Housing and Town Planning Act, 1909, the latter two being appointed by county councils. The visiting committee under the Lunacy Acts, controlling asylums or mental hospitals, has long been established, and acts to all intents and purposes without reference to the authority appointing it.

Then local old age pensions committee under the Old Age Pensions Act, 1908, which local authorities are required to set up, acts with complete autonomy.

The county rate committee, a statutory committee set up by county councils for the purpose of preparing a basis or standard for fair and equal county rates.

There are, under various local enactments, joint committees to control water, ferries, drainage, river pollution, and the like matters, with autonomous powers; and similarly joint boards, consisting of representatives of different local authorities, such as the Metropolitan Water Board and the Lancashire Asylums Board, controlling six asylums, and constituted of representatives of the county and eighteen county boroughs.

The nature of the work which committees in local government administration, whether constituted by statute or otherwise, are called upon to perform, covers a wide field; and in general principle, such committees must necessarily work and act independently, the one of the other, subject to co-ordination in certain spheres, as hereafter suggested, and to this, that the finance committee should exercise supervision over the finances of each committee. Finance lies at the root of all local government, as indeed most problems of to-day; the policy of each and every committee must, and properly so I think, be guided within the financial compass approved by the council on the recommendation of the finance committee. Beyond, however, committees submitting to the finance committee periodically, particulars of their proposed expenditure, with the purpose thereof, for sanction of the finance committee, I do not think the latter have any function in connection with the work of committees, other than to be satisfied that

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expenditure has been properly incurred on the purposes sanctioned. As an example, in the matter of expenditure on higher and elementary education, and on public health and other utility services, the finance committee should, in the light of the financial resources of the area, the potential burden on the rates, the calls of other committees, and a comprehensive view of the council's activities in all public services, be empowered, subject to confirmation by the council, to withhold or postpone financial supplies as they think fit and proper.

For the purpose of securing co-ordination, uniformity, and economy of working in the local government service, I advocate the setting up of a special committee, whose duties should be to deal with all questions which may affect more than one committee, such as—

(a) The consideration of the practicability of utilizing the services of a staff working under one committee by another committee, when and where circumstances permit, as in the case of medical staffs, working, as is often the case, in water-tight compartments, one for public health, one for school medical services, and another for tuberculosis.

(b) Differences with regard to policy affecting more than one committee, such as a difference between a health committee, and a housing committee as to the lay-out or improvement of an area, or the town planning of a district.

(c) Questions of salaries of officers and servants, and conditions of employment, the creation of new offices, or augmentation of staffs.

This committee may be styled the co-ordination committee or committee of chairmen; and, in order to ensure adequate representation of all interests, might consist of the chairmen and vice-chairmen of all standing committees, with such other, if any, members as might be thought proper. Within the scope of the matters directed by standing orders to be referred to this committee, no recommendation should go to the council, except through its medium. It is known to everyone experienced in the administration of local government that committees, and especially trading committees, are apt to look at their problems from their own immediate point of view; it is essential in the control of affairs of local authorities, large as they are to-day, to make such provision as will ensure matters such as I have in mind, being dealt with on a broad and comprehensive basis, and with due consideration to all public interests, financial and otherwise, including those of all departments of the local authority. This committee might, and I think with advantage, give consideration to a matter which hitherto has, generally speaking, received little or no attention by local authorities, owing to the disinclination of one department to be in partnership with another. I refer to the question of the purchase of stores and commodities under a central system, and the distribution of such stores and commodities from one centre, including the extent to which standardization of stores

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and commodities can be effected and the purchase of the same carried out, for all departments of the local authority, under one or more quotations or tenders. That there is considerable overlapping and waste of public money owing to the lack of co-ordination in this respect, I have not the least doubt ; and it is only through the medium of a co-ordinating committee, who would view the problem other than from one angle, that efficient and economical purchase and distribution supplies required by local authorities can be ensured, and this without the setting up of a costly department.

Committees should be able to appreciate and realize that the conclusions at which they arrive, carry with them real responsibility. The sense of responsibility is oftentimes greatly weakened if it is accompanied by the knowledge that some higher or other authority or body of individuals is likely to review those conclusions.

In my view, therefore, it is desirable, in the first place, not to set up committees of an unwieldy size ; an equitable distribution of the work of local authorities can be secured by a standing order that no member shall serve on more than a specified number of committees.

In some areas, members of committees are selected by a special committee of the council ; this practice has, I think, many virtues, in that, if fairly and impartially carried out, it enables men who have a special qualification to speak on the work of a particular committee, to be placed on that committee, such as a medical man on the maternity and child welfare committee, and a lawyer on the Parliamentary committee.

Again, a few authorities have systems of ward or district representation, the case in favour of this being that the whole area thus gets representation on each committee. I am entirely against this principle, believing it to be unsound and not calculated to ensure the best qualified men on a council being elected on the respective committees.

The relations between committees and the councils by whom they are appointed are governed by no recognized standard, and vary in different areas. Some local authorities conceive it to be their duty to inquire with meticulous care into almost every action of a committee ; while others, and generally the large authorities, appoint committees with the object and intention that the latter shall carry out the work allocated to them, within the scope of the policy laid down and without interference by the appointing council. So long as a committee perform their allotted functions and within the limits of the expenditure approved by the council on the recommendation of the finance committee, I think the less the detail work of a committee comes under the review of the council, the better ; the tendency in large authorities is to place greater confidence and trust in committees carrying out duties assigned to them by the council, once the policy has been considered

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and decided by the council. It should, of course, be the duty of the council to decide such questions as whether a contract for works connected with electricity, water, tramways, and the like should be let, and, if so, to whom; and similarly, to decide whether a housing contract should be entered into or not, or a street improvement carried out; but having authorized one or more of such or similar propositions, it should be left to the committees concerned, within the scope I have mentioned, to carry out and administer the policy approved by the council.

The methods adopted by committees in administering their functions, likewise vary throughout the country. Expedient and efficient discharge of them depends much upon the chairmen and on those responsible for preparing the agenda and submitting business to the committee.

In some areas it is the practice for an agenda prepared by the clerk to the council to be sent out to the members two or three days before each committee meeting, and in others to summon the meeting and not to furnish an agenda, leaving the business to be called on by the chairman. I think, where practicable, an agenda should be sent out; and in a county area, where members travel many miles to attend a meeting, that it is essential they should be supplied with an agenda, and, in the latter case, that the agenda should be extended and exhaustive. In a city or borough, where members are more or less on the spot, the facilities for obtaining information are obviously ready at hand.

To avoid time being taken up on small and unimportant matters, I think the laying on the table at a committee meeting of a requisition book by the head of the department concerned, containing particulars of items proposed to be expended, pending the next meeting of the committee, up to a given sum of, say, not exceeding £50, is useful. The items of proposed expenditure can thus be approved by a simple resolution.

A committee should be informed at each meeting of the state of the finances of the committee by means of a statement prepared by the financial officer of the council, showing (1) particulars of expenditure the committee has been authorized by the council to incur during the current financial period; (2) expenditure incurred to date; and (3) the balance of authorized expenditure available for the services of the committee, and which is not earmarked for any particular purpose. This requirement should, I think, be the subject of a standing order by the council.

The minutes of committees should be kept by committee clerks appointed from the staff of the clerks' department, acting under the supervision and direction of the clerk of the council, and the latter should be responsible for the preparation of all agenda and the recording

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of the minutes of all committees. This system should insure the whole administrative machinery revolving around the principal official, and without which it is unlikely that he can be kept *au fait* with and exercise that real supervision over the business of the local authority which is in my view essential for efficient control.

The frequency with which committee meetings are held must depend on the volume of business, but my experience leads me to the conclusion that weekly or even fortnightly meetings do not produce better results than less frequent ones, such as a fixed monthly meeting, and that, moreover, meetings at intervals of not less than a month conduce, on the one hand, to a keener interest in the business on the part of busy public men, and a consequential saving of their time ; and, on the other, to greater efficiency.

The conduct of business in committees should generally follow the standing order procedure of the local authority, subject to considerable latitude in the matter of members speaking more than once on the same subject, the asking of questions, moving of resolutions, etc. ; and, generally, every facility should be afforded for members, without undue formality, to obtain the fullest information on the subject-matter under consideration.

The appointment by committees or sub-committees in limited number and size to deal with specific matters requiring detailed attention or delicate handling is desirable and useful, but the practice of appointing sub-committees should not be unduly exercised. It is to the committee itself the council has deputed powers—*Delegatus non potest delegare*.

The proper relationship of committees to the executive, and the precise limits within which the independence of the permanent official is desirable in the interests of efficiency and economy, are questions of supreme importance in local government administration. There exist no written or unwritten uniform precedents or rules upon which could be constructed regulations for adoption by local authorities on these questions ; they must, however, be approached with the knowledge that bureaucratic or official autocracy has, and properly so, no place in our local government system. Responsibility in matters of principle must be on the council and committees ; the execution of those matters should be placed in the unfettered care of the permanent official or head of department concerned—he should be judged according as he does or does not “deliver the goods”—and should not be hampered by detailed control in his efforts to efficiently discharge the executive work of a committee. Take a few concrete cases—

A committee desiring to negotiate a purchase of land, to prosecute or defend an action at law, to promote or oppose a Bill in Parliament, I think begins and ends its functions with defining the policy, leaving, if it desires, defined discretionary power with the permanent official ;

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the latter's function should be to carry out that policy in the way his experience and training dictate will be best calculated to produce the results desired by the committee. A trading committee should carry on its business, which, after all, is nothing more nor less than the equivalent of that of a large limited company or commercial firm, on the lines of an efficient board of directors, considering matters of principle and policy, but leaving the head of the department to perform the executive work in his own way. For instance, in the execution of public works, a committee should decide whether contract or direct labour, or partly one and partly the other, should be employed ; but the head of the department should be alone responsible for the carrying out of the work, he giving an account of his stewardship on completion.

The county surveyor or borough engineer may be instructed by a committee to carry out a street widening or road improvement on a plan and estimate of cost submitted by him, and it should be for him alone to perform the operation, collaborating with the clerk of the council with regard to acquisition of properties necessary to be acquired and so on ; but the method, or labour (within the council's recognized conditions), he employs for the purpose, or the allocation of the work, should be no function of a committee to be concerned with, and so with building by-laws ; either the local requirements are or are not satisfied. Such and the like are executive functions, and should not fall within the sphere of a committee's activities, nor do I think such matters as prosecutions under the Food and Drugs Acts or Public Health or other Acts, except where a special resolution of a committee is necessary for production in court, should be the subject of discussion in a committee : either an offence has or has not been committed ; the responsible permanent official is, I think, best qualified to determine this, and as to what action, if any, should be taken in the interests of impartial and clean local administration.

My observations with regard to the sphere of the permanent official, pre-supposes that he confers, as occasion requires, with the chairman of the committee concerned, and that the clerk of the council is in live touch with the heads of all departments regarding the exercise of the principal functions of the latter. This is essential, not only in theory but in practice, for efficient administration.

The chief executive officer (the town clerk or the clerk of the council, as the case may be) has neither the qualifications nor the time to direct the technical and official duties falling to the lot of heads of departments, but his very office demands that he should, as the official mouthpiece of the governing authority, be acquainted with the course of general events in all departments of the authority ; by this means alone is he properly able to take, as he should, prompt executive action where, for good cause shown, he thinks a step proposed to be taken or omitted

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to be taken, is inimical to the best interests of or contrary to the policy of the local authority.

I have found in my experience that a clear understanding on this important principle, can be made to work well and without friction ; but I do not lose sight of the fact that in local government, more than in any sphere of commercial or business activity, the element of personnel counts for much.

One head of a department can, by his personality, capacity, and character, wield an influence, and deal with men and affairs in a way that it would be hopeless for another to attempt. The personal element in the executive must, therefore, I think for all time, be a great factor in the administration of local government ; in this connection it is well to remember that there is little or no opportunity to remedy mistakes, if made in the appointment of principal officials, for it is seldom that the services of a responsible official in the local government service are dispensed with on the score of incompetence or incapacity, or, in fact, anything short of gross dereliction of duty ; but this is not so in the management of commercial or business concerns.

Local authorities having then appointed responsible and highly specialized officials to discharge the executive functions of these bodies, and without which it would be obviously impossible for local government activities of to-day to be carried on, should, whilst retaining in their own hands the principles of administration and financial control, see to it that the sphere of influence of the permanent official and the limits of his official independence are not so contracted as to rob the best interests of local government of the advantages which alone can be derived from the fixing of individual responsibility for executive action upon the person whose function and duty it should be to perform it—the permanent official.

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## *Development and Maintenance of Roads*

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# Local and Central Authorities in the Development and Maintenance of Roads

By SIR HENRY P. MAYBURY, K.C.M.G., C.B.M.Inst.C.E.  
(*Director-General of Roads, Ministry of Transport*)

IN few branches of administration is it more difficult to mark an equitable boundary between local and central responsibility than in the case of roads.

A local authority provides schools, small holdings, libraries, playing fields, swimming baths, for the benefit, in the main, of their own rate-payers. Doubtless the State reaps a share of the harvest in the health, efficiency and contentment of the citizens, but no one will question that the primary benefit falls to the locality.

With regard to some classes of roads, the same remark applies. The purely residential road is created and maintained principally for the advantage of the residents, and the urban high street provides a shopping centre and business mart for the local community. So far, no grave misgivings arise as to the relative spheres of central and local responsibility. At the other end of the scale, however, a very different state of affairs prevails, and the would-be reformer can point to cases of sparsely inhabited counties burdened with a liability for maintaining a busy traffic corridor which provides no profit and performs little service for the agricultural community inhabiting the county. The real benefit accrues to industrial and residential areas lying outside the county boundary and to the travelling public of the kingdom at large. Even harder cases might be quoted where the slender budget of a rural district council is severely embarrassed by the liability to maintain some weakly constructed highway which forms a favourite excursion for visitors to neighbouring pleasure resorts. Not merely has the council to face the cost of maintenance, but the demands of traffic may necessitate a comprehensive improvement scheme which taxes even more onerously the resources of the agricultural community. Thus the difficulty we experience in allocating responsibility between central and local authorities finds its counterpart when we attempt to distribute a local burden between the various classes of local authority.

Discontent at the apparent anomalies of the present situation were

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loudly voiced by various witnesses in their evidence before the Royal Commission on Local Government, which has been sitting during the past few months. If you read the minutes you will observe how prominent a place is given to the controversy between county boroughs and administrative counties on the subject of highway finance.

The outstanding importance of the subject was well illustrated by evidence tendered on behalf of the Surrey County Council, who gave the following figures showing the progressive increase in that authority's highway expenditure in the last thirty-four years—

	1890.	1914.	1923.	1924. (Estimate).
Gross cost of maintenance . . . .	£ 40,907	£ 130,975	£ 351,825	£ 567,100
County rate required to meet net cost .	d. 4	d. 4.48	d. 10.323	d. 11.727

The evidence of other witnesses went to show—

1. The general desire for grants from the Government on a higher scale.
2. A reluctance on the part of local authorities to divest themselves of the control of highways which forms the most interesting part of their work.
3. A feeling in rural areas that the burden of highway maintenance is unfairly adjusted between town and country.

To gain a just view of highway administration as we see it to-day in England, it is essential to trace it back to its origin, in the hope of discovering the tendencies which have been operative in the past and which we may expect to exert a continuing influence in the future.

It would be ungracious to omit reference to the Romans, whose engineers laid down so large and admirable a portion of the road system which we use to-day; but although their highways have endured, it cannot be said that their principles of highway administration left any permanent trace. Upon the withdrawal of the Roman legions, the conception of a State responsibility for highways may be said to have lapsed for nearly 1,500 years; and if we cast our eyes back to the Highways Act of 1555, we shall find no organization extant save the most primitive and rudimentary, namely, the immemorial parish, which Blackstone describes as "that circuit of ground in which the souls under the care of one parson or vicar do inhabit"—the Church having stepped in to fulfil functions neglected by the State. If highways were thus confirmed in their status as a mere parochial liability, it is interesting to observe the first inkling of a sense of regional responsibility in the somewhat kindred cases of bridges—as shown by King Henry VIII's

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Statute of Bridges, 1530-01, which casts upon the county the liability for maintenance of bridges and their approaches. It will be recalled however, that the actual construction of bridges was usually due to private benefactions or charitable trusts.

So long as road traffic was of short range, and water-carriage remained the means of transport for heavy goods, the parish managed to carry its burden without excessive strain, although very inefficiently ; but after the middle of the seventeenth century, the creation of the Post Office in 1660, and the passing of the first Turnpike Act of 1663, provide evidence that the parochial organization is being strained almost to breaking point.

In 1773, at the dawn of the mail-coach era, however, the General Highway Act still finds the parish holding the field with the aid of the turnpike trusts ; and the last of the General Highway Acts, that of 1835, continues to retain the parish as the administrative unit (subject to a provision permitting the grouping of parishes) ; the surveyor of highways is still to be elected annually by the parishioners.

Signs of an impending breakdown are occasionally discernible, and led in one case to an interesting modification of the system. I refer to the creation of a comprehensive regional authority in South Wales, under the South Wales Turnpike Trusts Act, 1844, which followed the so-called "Rebecca" riots of the previous year. All turnpike trusts in the counties of Glamorgan, Brecknock, Radnor, Carmarthen, Pemroke, and Cardigan were consolidated ; county road boards elected ; county road funds established ; the tolls pooled ; and even county road rates levied at need. One may perhaps be permitted to regret that this very promising experiment in regional or provincial highway administration was not more vigorously pursued and that under subsequent legislation these six counties were assimilated to the rest of the country.

A general forward movement is marked by the passing of the Public Health Act, 1848, under which local boards of health were set up in urban districts and were granted the powers previously exercised by the Surveyor of Highways for the parish. The number of these local boards was increased by the Act of 1858, and in 1862 another Highway Act was passed providing for the grouping of country parishes into highway districts administered by a Highway Board.

By the Public Health Act, 1872 (consolidated by the Act of 1875), England was parcelled into urban and rural sanitary districts, highway powers being conferred upon the urban authority ; while in rural districts, highway administration, as then existing, remained unaltered.

Through all these minor changes we still see the district left to struggle unaided with the highway problem.

By way of contrast—exemplifying, too, the widely different conceptions of government prevailing on the other side of the Channel—

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I will quote an extract from a memorandum prepared just before the late war by an eminent French road-engineer, Monsieur E. Marion—

By the middle of the eighteenth century, France found herself possessed of a very extensive network of Royal Roads which had been constructed and maintained almost exclusively out of the funds of the Royal Exchequer. The works were controlled by the engineers of the Ponts et Chaussées (the State Department of Bridges and Highways), organized under an Order of Council dated 16th February, 1716. The first Republic resolved to make provision for the maintenance of these roads (formerly Royal, but thenceforth designated National) out of Treasury resources alone.

A statute of 1797 re-divided these roads into three classes: the first class comprised the roads leading from Paris to the frontiers; the second, those leading from frontier to frontier without traversing Paris; the third, roads connecting towns. The National road-system at this period attained an aggregate length of upwards of 32,000 miles.

The imperative need of funds for military purposes drove Napoleon I to reduce the State highway expenditure. In 1811 he accordingly re-classified the national roads of Class III (12,500 miles) and termed them Departmental roads—throwing on the Departments the cost of maintenance, while leaving the control as before, to the Corps of the Ponts et Chaussées.

From this digression I return to England in the seventies of the last century.

That broader views must prevail, and that the contributory area must be extended, is the keynote of the Highways and Locomotives (Amendment) Act, 1878, the title of which reminds us of the emergence of a rival to the horse.

This Act provides for the enlargement of highway districts to conform to the boundaries of the rural sanitary districts. It marks the end of the turnpike road and brings into being the "main road," towards the maintenance of which one-half of the expense was to be borne by the county—probably the most noteworthy landmark in the history of English highway administration since the withdrawal of the Roman garrison, more than 1,400 years earlier.

In 1882 followed the recognition of a State responsibility for highways, a grant of £250,000 being voted by Parliament in aid of the cost of maintaining main roads—another noteworthy event. The grant represented one-half of the amount of the county contribution, so that, in effect, half the cost of main roads was paid by the county, one-quarter by the Government, and one-quarter by the highway authorities.

In 1887 the Parliamentary vote was doubled, so that one-half of the cost was borne by the State, a quarter by the county, and a quarter by the Highway Authority.

A further step in what I may call the broadening process is marked by the Local Government Act of 1888, which transferred the control of and liability for main roads and bridges to the county council—now

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first brought into existence. Financial assistance from the State to the county councils was afforded by an Exchequer contribution.

The scheme of local highway administration as we see it to-day is completed in general outline by the Local Government Act of 1894, which sets up the rural district council as the highway authority within its own area.

Even the spacious framework of the county was felt to be too narrow for the ever-widening circle of traffic development, and the passing in 1909 of the Development and Road Improvement Funds Act testifies to the growing sense of national responsibility for road communications.

The Road Board constituted by that Act was empowered to construct and maintain new roads, and to make advances to highway authorities for the construction of new, or the improvement of old, roads.

The setting up of the Road Board, and the recognition thus afforded of a more definite State obligation in highway matters, is of sufficient historical importance to warrant the quotation of an extract from the First Annual Report of the Road Fund dated 18th August, 1911—

The Road Improvement Grant which the Board have to administer arises from the motor spirit duties and motor-car licence duties imposed by the Finance Act, 1910. The Road Improvement Fund is credited with the whole of the proceeds, less the cost of collection of the motor spirit duties, and the excess or balance of the net proceeds, less cost of collection, of all excise duties now payable in respect of carriage licences after payment to local authorities through the Local Taxation Accounts of the sums mentioned in Part V of the Revenue Act, 1911.

On the basis of the Treasury estimates, it appeared probable that the total amount which could be treated by the Road Board as available for advances which might become payable within the calendar year 1911 would exceed £1,200,000, but there was some uncertainty as to whether the motor-car licence duties payable within the calendar year 1910 would realize the full estimate. The Board therefore decided to adopt £1,000,000 as the basis for their first distribution of grants. The amounts actually credited to the Road Improvement Fund up to 8th July, 1911, in respect of the financial years 1909–10 and 1910–11 have aggregated £1,161,344 18s. 10d.

As an exceptional but significant incident in the relations of central and local administration, mention should be made of the £10,000,000 road and bridge programme of 1919–1920, towards which the Government made a contribution of £8,000,000 as an addition to the sum of £2,000,000 provided from the Road Improvement Fund. The programme formed one of the emergency measures necessitated by the demobilization then in progress, and the fund of £10,000,000 was distributed in grants to local authorities for the strengthening, reconstruction, and re-surfacing of roads and bridges.

The Road Board has now been merged in the Ministry of Transport under the Ministry of Transport Act, 1919, which again enlarges the province of the central authority and provides for the classification of

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roads as a basis for the allotment of Government grants to highway authorities. That classification has now become effective, the mileage at the date of the last annual report being as follows—

England and Wales . . . .	Class I . . . .	18,262 miles.
	Class II . . . .	11,478 "
Scotland . . . .	Class I . . . .	4,968 "
	Class II . . . .	3,259 "

(The mileage of roads of all classes in England, Scotland and Wales is estimated to be 177,321 miles.)

Towards the cost of maintaining and improving Class I roads, the normal grant from the Road Fund has been at the rate of 50 per cent; and in the case of Class II roads, 25 per cent. Grants are made under various other heads, e.g. contributions towards the salaries of highway authorities, surveyors, special assistance towards the improvement of rural roads, the construction of new arterial roads, bridges, etc.

The receipts of the Road Fund have steadily increased—in 1921, the figure stood at £9,432,302; in 1922, £12,585,633; in 1923, £12,802,754: this last-named figure may be taken to represent somewhere between one-quarter and one-third of the total expenditure incurred by all highway authorities in England, Scotland, and Wales.

The relationship of central and local administration has not been materially modified by the Roads Act of 1920, which deals mainly with questions affecting the licensing of vehicles. Perhaps the most interesting provision is that enabling county councils to appeal to the Ministry of Transport for the prohibition or restriction of certain forms of traffic on highways unsuitable for such purposes.

The setting up of this Court of Appeal appears to have been generally welcomed.

In the foregoing summary I have endeavoured to sketch the gradual rise of the composite system of highway administration which prevails to-day, and which, like other stratified formations of slow growth, contains here and there a few fossil remains of greater interest than utility. Despite these shortcomings, however, on which a theorist might dilate, it is consoling to find that, as the outcome, no other country provides the traveller with a more serviceable or better distributed network of roads.

The administrative system which we inherit to-day is the result of a development which reflects the peculiar genius of our race for local government, though it must be allowed that private enterprise played a vigorous and valuable part during the turnpike era; since 1878 the transformation has proceeded rapidly, by comparison with previous centuries, and no thoughtful observer of British institutions will claim that finality has yet been reached. The tendency for the past fifty years has been for highway administration to "broaden slowly down from precedent to precedent."

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Almost every change has been directed (as in the similar case of railways) to the spreading of burdens over a wider and wider field, to the pooling of resources, to the grouping of communities for the efficient discharge of a common duty, to the invocation of the State as a vitally interested party in the communications of the country. A fruitful and serviceable partnership has been set up between district councils, county councils, and the State, each of the parties accepting a degree of responsibility corresponding in some measure with the functions of these different grades or strata of administration. Broadly speaking, roads of local utility are maintained by the district councils, with only occasional help in special cases from county or State; while the upkeep and improvement of main roads is entrusted to county councils, who, in so far as the roads are classified, receive from the Government's Road Fund, grants of 50 per cent for first-class roads and 25 per cent for second class—a few exceptional cases receiving special treatment.

There is no reason to suppose that the terms of the partnership are immutably fixed for all time. At many points there appears room for adjustment, if not equalization. The London Traffic Bill is perhaps symptomatic. As traffic conditions alter, one may expect to see the length of the classified roads increased; this process of revision is continuous.

It is conceivable that additional categories of classified roads might be created, either at the top or bottom of the scale.

One would like to see a closer conformity between the two conflicting standards—the roads classified by the State on the one hand, and the roads declared "main" by the counties on the other hand. A road that is sufficiently important to gain regular subsidies from the State Road Fund is a *fortiori* worthy of acceptance as a main road by the county. In many areas this principle has secured recognition with unquestionably good results in the equalization of the highway rate; and many students of local finance believe that there is no more promising remedy for the grievances expressed by some rural district councils, whose resources and equipment are obviously inadequate for the task of highway maintenance now imposed upon them. When one sees what painfully diminutive salaries some of the smaller authorities offer to their Highway Surveyor, it is impossible to avoid the conclusion that some "grouping" policy should be encouraged which would enable adequately paid posts to be created for properly qualified officers.

It is worthy of mention, in passing, that in Scotland rural road administration rests on a wider basis than in England. North of the Tweed the Rural District Council has no existence, and its place as a highway-maintaining authority is filled by the District Committee of the County Council.

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There is probably no greater anomaly in local government to-day than the widely divergent practice of county councils (England and Wales) in the matter of "maining" roads.

The very term "main road" possesses a totally different significance in adjoining counties. Under the liberal policy of one county, every road of any general importance is mained, whether it is comprised in the Government's classification scheme or not; in other counties only a portion of the classified roads are accepted as main. This extraordinary divergence can be illustrated by setting side by side the counties of Huntingdon and the East Riding. In the former case, the whole of the roads are main; in the latter case, only 8·56 per cent. How the want of uniformity originated is familiar to us all. Under the Act of 1878, the roads which automatically became "main" roads were those which had been "disturnpiked" after an arbitrary date (31st December, 1870). Consequently those counties in which there had been few turnpike roads, or in which the disturnpiking had taken place at an earlier date, started their career with the shortest list of main roads. Subsequent additions to the length and number of main roads have been entirely at the discretion of the county councils, whose policy has varied so widely in this matter that, as already mentioned, the term "main" road cannot be said to depict a system of highways conforming to any logical formula.

The way, however, lies open to the local authorities of the county to put matters on a more consistent footing by friendly negotiations among themselves, and no small measure of progress has already been achieved.

Another task that looms ahead is the modernization of the highway system and bridges of the country to meet the growing demands of a constantly increasing traffic. This formidable work, which is clearly differentiated from the usual routine of repairs and resurfacing, will severely tax the organization of many local authorities, especially the less wealthy rural district councils. Much can be done by combined effort, and I believe that populous thriving centres of commerce, whose streams of traffic pulse to and fro across the adjoining rural areas, will be prepared to assist their poorer neighbours in the task of transforming the highways to carry this traffic.

During the past five years, many such schemes have been successfully carried through with the aid of the Ministry of Transport, and I want no better omen for the future.

The same spirit of goodwill and mutual accommodation, which has carried the country through the revolution caused by the advent of motor traffic thirty years ago, will enable the local and central authorities to grapple fearlessly with the fresh adventures that lie before them.

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## *Municipal Tramways Administration*

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# Municipal Tramways Administration

By JAMES DALRYMPLE, C.B.E., General Manager of the Glasgow  
Corporation Tramways

THE municipal activities of the city of Glasgow, at the time I first entered their service over forty years ago, were very modest in extent as compared with what they are to-day. The total debt was at that time only £5,800,000, to-day the outstanding debt of the municipality amounts to £26,274,000.

There are 113 members in the Glasgow City Council. Of this number thirty-seven are on the Tramways Committee, one member from each of the thirty-seven wards.

The full Tramway Committee meets every fortnight. The committee is divided into several sub-committees; one sub-committee takes charge of all purchases of material, and the carrying out of all works. The Sub-committee on Finance has charge of all financial matters, such as fares and revenue generally. This committee also passes all accounts for payment. The third sub-committee is the Sub-committee on Extensions, which examines all proposals for making new lines.

The minutes of the sub-committees require to be confirmed by the full committee, and the minutes of the full committee require to be confirmed by the whole City Council.

With reference to the formation of the Tramways Department of the Corporation which took place in 1894, just thirty years ago, it was decided at that time that the department would be large enough to be self-contained, that is to say, it would have its own finance officers, who would take care of the financial side of the undertaking. It would have a permanent-way staff, who would undertake the making, repairing, and laying of the track, and when the system was subsequently electrified it was decided that the Tramways Department should have its own power station for the production of all electrical energy required for the tramways.

Very few municipal tramway undertakings in the country are in a similar position to Glasgow in having all these departments under one head. Of course this arrangement can only be carried out in the case of very large undertakings. The smaller undertakings cannot afford to be self-contained in the way I have described.

Another very important step was taken when the Corporation, in

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organizing the department, put full power into the general manager's hands so far as the staff was concerned. The engagement and discharge of every member of the staff has always been in the hands of the general manager, and this arrangement has hitherto worked admirably. They simply fix the wages to be paid and the general conditions of the service.

On the 1st July, 1894, just thirty years ago, the Corporation started to operate the tramways as a department of municipal enterprise. The Corporation had actually laid the lines, but these had been leased to a company for twenty-three years, and this lease expired on the 30th June, 1894.

Up to that date no municipal corporation had obtained powers from Parliament to operate tramways except the Corporation of Glasgow. The only municipalities operating tramways before that date were in the cases of those where a tramway company could not be induced to undertake the business.

Away back in 1870 two companies sought powers from Parliament to lay tramways on the streets of Glasgow and to operate a tramway service. These two companies asked for powers to lay tramways on the same streets. The Corporation stepped in and opposed these schemes, and it was finally agreed that the two schemes should be amalgamated, and that the Corporation should have the option of taking over the Act. Within the stipulated period of six months the Corporation decided that they would take over the Act and all the powers obtained by the promoters. In this way the municipality of Glasgow obtained powers not only to borrow money and lay the lines, but also to operate the tramways.

Prior to the expiry of the lease in 1894, the citizens of Glasgow had got wearied with the methods of the Tramway Company. There were, of course, no electric cars in those days, and the horse-car service given by the company was hopeless. The cars were dirty and falling to pieces ; the staff were hungry, poorly paid, and badly clothed, and it was really on this account that the citizens of Glasgow determined to take the business of providing transport within the city into their own hands.

The Corporation started the undertaking with a brand new equipment. A new stud of horses was purchased ; new horse cars were built, also new stables, car sheds, granaries, etc. ; in fact, not one single stick would the Tramway Company sell to the Corporation. As a matter of fact the directors and officials were satisfied that the Corporation would very soon approach them to take over the concern again.

From the first, however, it was perfectly evident that the new department was going to be a huge success. The citizens were proud of the new undertaking, and it was very soon shown that the company had never realized what their duty was in giving a transport service.

The corporation started a horse car service in July, 1894, and in less

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than seven years, every vestige of this equipment had been cleared out and the whole system electrified. During these seven years of horse traction the undertaking had been so financially successful that the horse car equipment was wholly written off out of revenue and the new electric system was started with a clean sheet.

The Corporation have always been extremely careful in regard to the finances of the tramways undertaking, not only in connection with the expenditure on the original horse car system but also in connection with the larger expenditure on electrification. The Capital Account has been very jealously watched.

Every year, in addition to meeting all working expenses and interest on capital, an accumulating sinking fund has been provided which wipes off the debt in thirty years. In addition, there has always been set aside, out of revenue, a depreciation and renewals fund, and this provision is calculated to be sufficient to renew the wasting assets at the end of their life, and by 1917, just sixteen years after the electrification of the system, this fund had been so generously provided for that the Corporation were enabled to transfer a large sum out of the depreciation and renewals fund to the sinking fund, and by so doing they were enabled to wipe off the whole capital indebtedness, so that by the year 1917 it was not necessary to meet any charge for interest or to provide any further sinking fund ; in fact the whole undertaking was in 1917 standing absolutely free of debt. This was a great achievement, and having been reached before the end of the war and before the times of stress, which have crippled many tramway undertakings, came upon us, has since enabled the Corporation of Glasgow to go on and develop very much as in ordinary times.

While dealing with the financial side of the undertaking I might say a word or two on fares. The object of the Corporation in providing transport facilities for the citizens is to give the best possible service in order to carry the greatest number of passengers at the lowest possible fare.

In laying out a system of fares and stages it is very important that the stages should be so arranged that the greatest number of people will be accommodated. A great deal of thought was given at the outset in 1894 to this question, with the result that the layout which was determined in that year has never had to be changed.

Every route was divided into stages, the average length of each stage being slightly over half a mile ; a shorter stage has been tried, but I think nothing less than half a mile has been found to be practically possible. At first, the fare for one stage was  $\frac{1}{2}$ d., the fare for two stages, 1d. ; three stages,  $1\frac{1}{2}$ d. ; and so on. Very soon, however, it was found possible to give three stages for a 1d., while keeping the fare for the initial stage at a  $\frac{1}{2}$ d. This change increased the number of passengers,

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and also increased the total revenue. The next step was to give four stages for 1d., while still retaining the  $\frac{1}{2}$ d. for the initial half-mile stage. This change again increased the number of passengers and increased the revenue. The final step in the reduction of fares was taken in 1912, when two stages, or  $1\frac{1}{2}$  mile, on the average, was given for  $\frac{1}{2}$ d. No further change was made until in 1920, when the enormous increase in expenditure forced the Corporation to increase the fares by adding one  $\frac{1}{2}$ d. to each fare. This increase was the smallest that could possibly have been arranged, and so delicate and sensitive is the tramway fare that this slight increase to the individual passenger meant at the end of the year a total increase of revenue of almost £700,000.

Except for a year or two during the war the Corporation of Glasgow have never ceased to extend their tramway system. From the earliest years of the Glasgow tramways the lines have never been confined within the area of the city. This was a very wise and far-seeing policy on the part of the City Fathers, and it has certainly saved the situation up to this date.

At the present moment the extreme termini of the tramway system are 12 miles from the centre, and in various directions the termini are 8 miles from the centre of the city. Close services are given from all these outlying termini. The Corporation have, as it were, staked out their claims so that they might be able to give ample travelling facilities between all the communities around the city and the centre. They have never agreed that the provision of these facilities should be competitive, but their policy has been that whatever service is required the municipality of Glasgow is prepared to provide and to do so at the lowest possible cost. They are still satisfied that there is no vehicle capable of handling the traffic in and around our large cities so efficiently and cheaply as the tramway car.

I might now say a word on the question of maintenance of plant and equipment. As a general rule, I think it will be found that municipal systems are better maintained than those of companies. The great majority of municipalities keep their tramway undertakings in very good condition.

In Glasgow we have always made a point of keeping every part of the plant and equipment in as perfect order as possible. Our system of regular inspection and repair must have saved the city hundreds of thousands of pounds; indeed, the life of the rolling stock has not yet been determined. The Corporation and the citizens of Glasgow like to see every car on the streets appear as if it had come from the paintshop that morning.

The equipment which is not visible to the public eye is cared for with equal solicitude, and this care is reflected in the reliability and regularity of the service.

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It might be of interest were I to give you a few particulars regarding the staff of a municipal tramway system. The total staff under my charge at the present moment numbers 8,128. The department is divided into three main branches : Engineering, Traffic and Finance ; each branch having its own chief. The engineering department, under the chief engineer, is sub-divided into electrical, mechanical, civil, and architectural. The chief of the traffic department has his immediate assistants at the head of each branch of the traffic side. The financial superintendent has charge of the office administration.

The supervision of a large municipal staff is a very arduous undertaking, and the very greatest care has to be exercised in the engagement and discharge of every member of the staff. No one should be engaged in whom the head of the department has not complete confidence. The head of a large municipal undertaking is frequently appealed to by members of the municipality and by personal friends to find jobs for all sorts and conditions of men and women. The only safe course for him to take is to engage the members of his staff solely on their own merits.

In a municipal undertaking, although the general manager may have full powers to discharge, he requires to exercise great care, and to be very sure of his ground before dispensing with the services of the humblest member of his staff.

I know of many heads of municipal departments who have very limited powers in relation to the staff. In the first place men are sent to him for engagement by those in authority, and very frequently I have known of men, who have been dismissed for various reasons, being sent back, with instructions that they should be reinstated. The result in these circumstances is, of course, disastrous.

In a municipal tramway undertaking, as in all municipal undertakings, the making of contracts and the purchase and inspection of material and stores has to be carried through with very great strictness. When materials and stores require to be purchased tenders are asked either from selected contractors or by public advertisement. Generally speaking, the tenders have to be lodged with the Clerk to the Council on or before a given date. These sealed tenders should then be opened at a meeting of the committee in charge of the undertaking, and initialed by the chairman and stamped as having been opened by the committee on a particular date. No offers should be considered which are subsequently received.

These offers should then be examined and reported on by the head of the department. The committee is then in a position to make a decision as to which is the best offer. The inspection of the material as it is delivered, to ensure that it is up to specification or to sample, should always be thoroughly and systematically carried out.

A good system of storekeeping, which includes the recording of

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stores delivered and dispatched, so that they can be debited to the proper accounts often means a great saving. If I see a store in disorder and records loosely kept I have not much hope for the success of that particular undertaking.

The largest section of a tramways undertaking is the traffic section, which includes the motormen, conductors, inspectors, timekeepers, traffic regulators, etc. The engaging, training, supervising, disciplining, and discharging of this large staff is a very important piece of tramway work, and calls for great tact and ripe judgment. This is especially so in a municipal tramways undertaking, where every decision of the head of the department is subject to public criticism. The staff must feel that whatever happens they will be treated with absolute fairness and impartiality.

In engaging men I frequently tell them that the undertaking will be judged in great measure by the way in which they carry out their work. If they are slovenly in their appearance ; if their uniform is untidy and ill-fitting ; if they carry out their work in a weary way, and handle their cash, tickets, and bell punch with a slack hand, the whole management will be condemned.

Very few people realize the amount of complicated work involved in arranging time-tables for a large traffic staff and drawing out the duty sheets for the motormen and conductors. In the first place it has to be decided what service of cars it will be necessary to provide on each route, at what hour in the morning the service should start, also should it be a 15 minutes' service for a certain time, a 5 minutes' service at other times of the day. It may then be necessary to reduce the service 10 minutes, and again to increase it. All these changes very frequently require to be made in order to supply the needs of the travelling public, and at the same time to run the service as economically as possible. Complications arise because the cars have to be housed in depots at different parts of the system, where the motormen and conductors have their headquarters, and it has also to be noted that although the cars may be in service for 12, 14, 16, or 18 hours out of the 24, the men on the cars must not work more than an average of eight hours per day. These men have also to be relieved for meals at a given point and every man has to take his turn of the whole of the duties.

All these points have to be kept in view in arranging the duties, and they have to be arranged so that the exact number of men will be on the pay-roll to meet all requirements. I have come across municipal tramway undertakings where every requirement seems to have been drawn out to meet the conditions, but on close examination it has been found that the men are only giving from six to seven hours' work per day instead of eight. You can quite easily see what such an arrangement would mean at the close of the year on an undertaking where there are several thousands of men employed.

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The immediate success of Glasgow in 1894 had undoubtedly a very great effect in moulding the policy of the other municipalities of Great Britain ; indeed, many of the smaller municipalities decided to inaugurate a tramway system, and in a very short time found that they had made a mistake.

There are about 100 municipalities in this country owning and operating their own tramway systems. I do not know that there are as many as this in any other country. I think there may be more municipalities operating their own tramway systems in Germany than in any other continental country. In Canada there are a few of the smaller towns with municipal systems, but in the United States, the greatest street railway country in the world, there are only two or three cities owning and operating their own street railways. Perhaps the citizens of this country have more confidence in their municipal representatives than those of other countries.

Quite a number of the smaller municipalities were perhaps too hasty, and, in some instances, too generous in laying down their tramway systems. The result has been that they have been operated at a considerable loss ; in fact, the passenger has not been able to provide the necessary revenue to meet the expenses, and the general body of ratepayers has had to step in to assist, and, in fact, to save the situation.

Again, there are instances in which we find a number of small municipalities having their own little tramway systems where it would have been to the advantage of everyone if these had been grouped together and operated as one system ; indeed, around some of our larger cities there are small municipal systems that should be operated as part of the greater central undertaking. During the last few years many municipal tramways have been badly hit, first of all by the extraordinary increase in working expenditure, which in very many instances necessitated an increase in fares beyond the statutory maxima. On the top of this we have had an abnormal spell of unemployment, which has reduced our revenue. To crown all we have now to meet the competition of the motor omnibus. On the one hand we have the statutory municipal undertaking which has borrowed large sums on Capital Account, to provide transport facilities for the citizens. This undertaking has come under an obligation to give a satisfactory tramway service at a low fare, which is fixed by Parliament. It should also be noted that a service has to be provided for the artisan, mechanic, and daily labourer at suitable hours, and at very low fares. The tramway undertaking has also to maintain a great part of the street which, since electric traction was inaugurated it does not wear, and it has to pay its proportion of the city rates for the maintenance of the other portions of the street.

The motor omnibus, which competes with the tramway car, has no similar burdens to carry, and this omnibus very often comes from the

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outside and, consequently, pays no rates to the city, and the tramway passenger has to provide a good road for its competitor free of charge. The omnibus is not saddled with the obligation to keep up a regular service, but simply takes the cream of the traffic.

I have every confidence in the administration of our municipal tramway systems, and I am still of opinion that when we settle down to normal trade in this country the municipalities operating tramways will earn sufficient revenue to be able to make both ends meet.

Wherever it is possible the tramway passenger should pay for his ride. In our larger cities such as London, New York, etc., where it is necessary to carry the passenger underground the idea is gaining ground that the general ratepayer should provide the underground street, and that the passenger should only be called upon to meet the cost of equipment and operation. This means, really, that the ratepayer should be responsible for the interest and sinking fund on the capital necessary to provide the tunnel, or as it may be termed, the underground carriageway.

Whether this policy will be carried out generally I am not prepared to say. No doubt there are some arguments in its favour, more especially in the case of our larger cities, where the population has to spread farther and farther from the centre, and where the slower surface car cannot adequately overtake the work.

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## *The Administration of the Post Office*

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# The Administration of the Post Office

By SIR WILLIAM NOBLE

THE Post Office is, from the point of view not only of the business community, but of the whole population, the most important of the Government Departments. It is a huge business organization, the largest not only in this country but in any country in the world. It transacts business of the most varied character, reminding one of the claim of the universal provider to supply anything and everything from "a needle to an anchor." The Post Office sells a halfpenny stamp; it invests for the people millions of pounds; it carries to the end of the earth a post card or a letter; it conveys a parcel to any civilized part of the globe; it provides facilities for a telephone communication between adjoining rooms in the same building or from one end of the country to the other; and for sending a telegram from one part of London to another or from London to Sydney; it provides postal orders for modest sums and money orders for large sums; it supplies dog licences, gun licences, broadcast licences; it pays old age pensions and performs many other services for the benefit of the community. There is no undertaking in the world to compare with it in variety of service.

To carry out these many public services, the Post Office employs about 170,000 officials—men, women, boys, and girls.

A discussion on the administration of this great department of the State is worthy of the Institute of Public Administration, and it is therefore unnecessary to offer an apology for bringing the subject to your notice on this occasion.

With such vast and diverse services to be performed, the organization of the Post Office must of necessity be of a complex character.

The chief adviser to the Postmaster-General is the Secretary, who, through his staff, exercises control over the whole organization of the Post Office.

There are three financial services, namely, that of the Accountant-General, the Savings Bank, and the Money Order Departments; two technical departments, the Engineering Department and the Stores Department, and the postal, telegraph, and telephone services, represented by the London postal service, the Central Telegraph Office (London), and the London telephone service. In the provinces all postal, telegraph,

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and telephone business other than the engineering and stores, is controlled by surveyors and postmasters. In Scotland there is a secretary who acts as the intermediary between the Secretary, London, and the surveyors and postmasters in Scotland.

SECRETARY'S OFFICE. The Secretary's office, as already stated, is responsible for the general administration of the whole Post Office service. The office is divided as shown in Diagram 1.

ACCOUNTANT-GENERAL'S DEPARTMENT. The Comptroller and Accountant-General supervises all the financial business of the Post Office. All accounts from the various offices come into this department. The Accountant-General is the financial adviser of the Postmaster-General. He has a separate responsibility to the Treasury and has to examine all financial proposals.

SAVINGS BANK. The Savings Bank is responsible for deposits amounting to about 200 million pounds, and there are some 15,000 post offices where deposits can be made. It also arranges for investments by depositors in Government stock and the issue of annuity and life insurance policies. It is the most widely represented banking business in the world.

MONEY ORDER DEPARTMENT. This department handles all the money order and postal order business, as well as old age pension orders. The two former services total about 100 millions and the last named about 12 million pounds per annum.

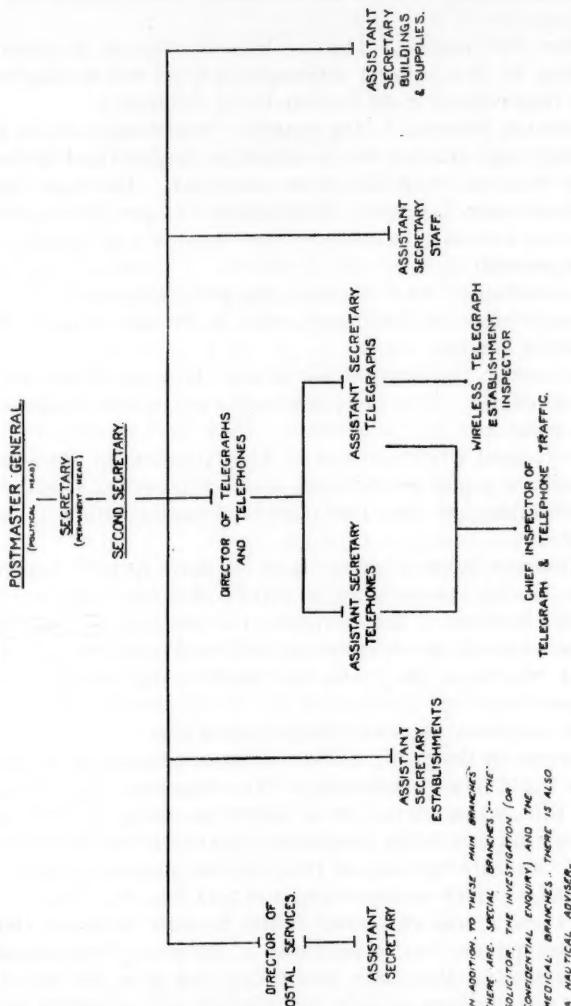
STORES DEPARTMENT. The Stores Department is responsible for the purchase, storage, and issue of all classes of stores. The control of the Post Office factories is also vested in the Stores Department. Labour contracts involving the supply of material and apparatus and the installation of the same are, however, dealt with by the Engineering Department.

LONDON POSTAL SERVICE. The London postal service is responsible for the whole of the postal and a considerable amount of the telegraph work in the London postal area. The inner portion of this area is divided into nine districts, each of which (excluding the E.C. district) is under a postmaster, acting under the Controller of the London postal service. The outer portion of the London postal area is divided into sub-districts, usually under a sub-postmaster.

CENTRAL TELEGRAPH OFFICE. The Central Telegraph Office is the main telegraph office in London and is the largest in the world. It is the telegraphic centre of the United Kingdom, as much of the telegraph business of the country passes through this office. In the "Cable Room" the bulk of the foreign telegraph business is conducted. Under the supervision of the Controller of the Central Telegraph Office are also the Stock Exchange and Commercial Sale Room branch offices. The principal branch offices in Central London are connected to the Central

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**DIAGRAM I.**



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Telegraph Office by pneumatic tubes for the conveyance of telegrams. The remainder of the telegraph business is conducted by the district and branch offices and sub-offices under the London postal service.

LONDON TELEPHONE SERVICE. This department is responsible for the working of all telephone exchanges in the London telephone areas. It is also responsible for the London Trunk Exchange.

PROVINCIAL SERVICES. The general administration of the provincial postal telegraphic and telephonic services in England and Wales is under surveyors who are responsible to the Secretary. There are eight exceptions : Manchester, Liverpool, Birmingham, Glasgow, Newcastle, Bristol, Sheffield, and Belfast. In each of these areas is a postmaster-surveyor, who is responsible direct to the Secretary. In Scotland (and in Dublin until the creation of the Free State) the surveyors report to a secretary with headquarters in Edinburgh, who is directly responsible to the secretariat in London.

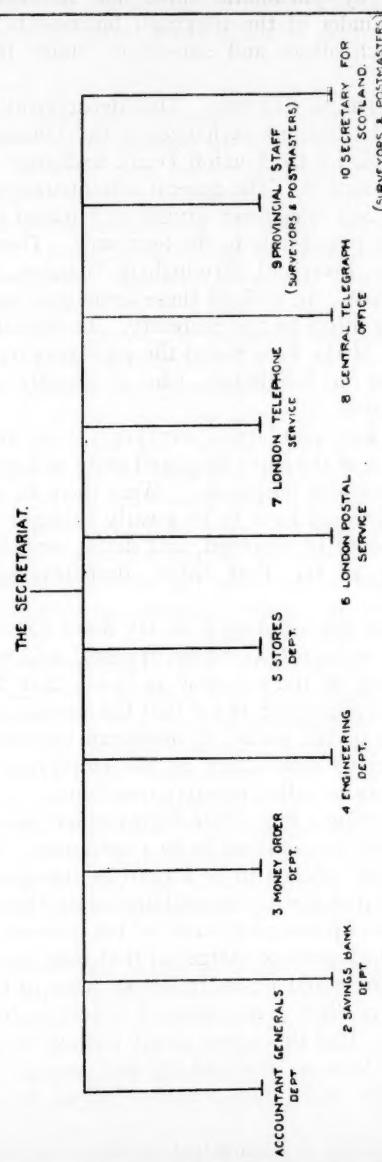
SURVEYORS. The function of a surveyor is to co-ordinate the management in his district of the three large and more or less dissimilar services of posts, telegraphs, and telephones. Were there no surveyors the staff at the secretariat would have to be greatly enlarged ; much additional correspondence would be involved, and delays would arise. In such a vast undertaking as the Post Office, decentralization is absolutely necessary.

The function of the secretary is to lay down general regulations for the whole country as regards all classes of postal, telegraph, and telephone work ; the function of the surveyor is to see that the regulations are obeyed, and broadly speaking to see that the services are carried on with maximum benefit to the public at minimum expenditure to the State and under conditions satisfactory to the employees. He has also to advise the secretary on administrative questions.

If there is one thing a Post Office surveyor does not do, it is to survey. This title might now be reckoned to be a misnomer. But the title dates back to 1715, when officials to be known as surveyors were appointed by Treasury warrant on the recommendation of the then joint Postmasters-General to measure up the post roads for the primary purpose of fixing the mileage on which postage charges at that time were based ; and also to inspect post offices and postal routes in order to detect and prevent frauds arising from illicit conveyance of letters or from falsification of postage accounts. Had there been penny postage at the outset and had the early officials been as able and efficient and as honest as they are to-day, some other title than surveyor would no doubt have been adopted.

The district system of administration after two centuries of practical working has proved so satisfactory and the interests of the State, the public,

**DIAGRAM 2.**



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and the service so well protected and promoted by the surveyors, that the original organization, although much extended and enlarged, remains practically intact.

As already stated, in eight of the large cities there are postmaster-surveyors. All provincial postmasters fall under the jurisdiction of either the district surveyors or the postmaster-surveyors.

The district surveyor has control over territory covering three or more counties, the boundaries between the district being largely governed by railway main lines ; whilst the postmaster-surveyor supervises a large centre of population and smaller towns adjacent. There are in Great Britain twelve district surveyors and eight postmaster-surveyors.

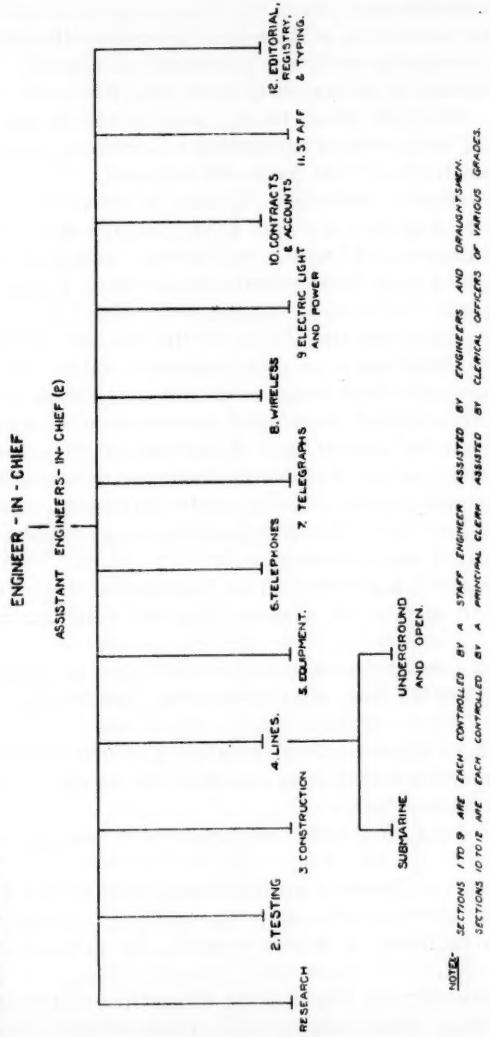
When the local telephone service of the country was in the hands of the National Telephone Company the country was divided into areas, and each of these was under the control of an official known as a provincial superintendent, there being a separate London telephone area. In the provinces each of the areas was sub-divided into districts, each of which was controlled by a district manager. Under the Post Office regime there are still district managers for the telephone business, and these officers are under the direct supervision of the surveyors. The only difference between the organization of the National Telephone Company and the Post Office is that the district manager's organization embraced the engineering staff, whilst under the latter this technical section of the service is controlled by a trained engineer, an arrangement which results in greater efficiency and economy.

**ENGINEERING DEPARTMENT.** The Engineering Department is responsible for all engineering and technical work in the country—the construction and maintenance of open and underground telegraph and telephone lines ; the installation and maintenance of telegraph offices, telephone exchanges, and subscribers' sets ; submarine cable laying and repair (for which two cable ships, the *Monarch* and the *Alert* are employed), and for electric light and power plant and lifts in Post Office premises. For purposes of administration the country is divided into engineering districts which more or less coincide with the districts of surveyors. The organization of this department is shown in Diagrams 3 and 4.

In addition to the diagrams showing the organization of the Secretary's office itself and the various departments administered by the Secretariat, I have shown diagrams of the Engineering Department organization only. I have considered it unnecessary to overload this paper with further diagrams. Those for the Engineering Department are illustrative of other departments. For example, in the London Postal Service there is a controller, vice-controller, and assistant controllers. A similar organization holds good for the Central Telegraph Office, the Stores Department, the Savings Bank, and the Money Order Department.

### DIAGRAM 3.

ENGINEERING DEPARTMENT  
HEADQUARTERS ORGANIZATION:



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Two special features in the organization of the London Postal Service might be mentioned. This department controls the whole of the travelling post offices on the various railways. It is also responsible for the Returned Letter Branch.

For an introductory paper, as this is, on the administration of the Post Office, enough has probably been written. I might, however, add a few observations as the result of over forty-five years' experience in the service. Although much of my service was in the Engineering Department, I had many opportunities of getting an insight into the general administration of the Post Office as well as of the organization of some of the other departments. I acted for some years as chairman of a committee dealing with the Post Office factories when they formed a separate organization and I was a member of a committee on the factories appointed by Mr. (now Sir) Herbert Samuel when Postmaster-General, and presided over by Captain Norton (now Lord Rathcreedan). That committee recommended the placing of the factories under the control of the Stores Department. I was a member of the committee which handled the transfer of the telephone service to the State in 1912. I was on the committee which considered the question of an underground railway for the conveyance of mails in London; and I was also from time to time on committees of minor importance, as well as being a member of various advisory boards dealing with recruitment and promotions. I was on the Post Office Board appointed by Mr. Kellaway during his regime. Lastly, I was several times sent abroad on official business and had opportunities of inquiring into the organization of postal, telegraphs, and telephone service in France, Belgium, Austria, Germany, and America.

I had therefore unique opportunities for acquiring knowledge of the administration of the Post Office outside the department in which I was engaged.

Based on my experience and observation, I have no hesitation in saying that the country has reason to be satisfied with the administration of this great Department of State.

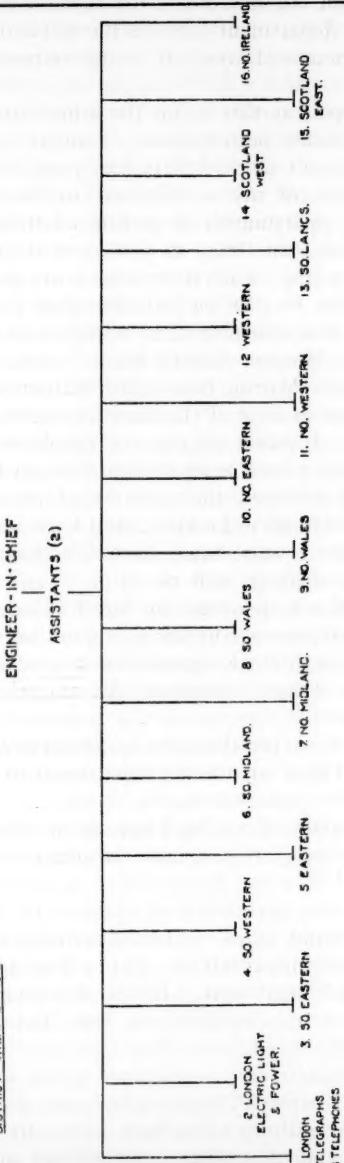
Besides, I have had some experience of commercial organization. For many years it was one of my "fads," if I may so call it, to investigate the organization of business undertakings. For a long period during my Post Office service I took many opportunities of studying the organization of large factories in this country, on the Continent, and in America.

Being a Government Department, comparison of the administration of the Post Office with a commercial business concern cannot fairly be made. There are certain conditions to be met, especially in regard to accounting, establishment, and promotions, that are not to be found in an outside business. As to accounting, not only is the Post Office subject

# The Administration of the Post Office

**DIAGRAM 4:**

ENGINEERING DEPARTMENT  
DISTRICT ORGANIZATION



NOTE:-  
ENGLAND IS DIVIDED INTO 14 DISTRICTS FOR TELEGRAMS AND TELEPHONES. IN ADDITION THERE IS IN LONDON A SPECIAL DISTRICT FOR ELECTRIC LIGHT AND POWER. EACH DISTRICT IS CONTROLLED BY A SUPERINTENDING ENGINEER. NORTHERN IRELAND HAS A SEPARATE ORGANIZATION AT PRESENT SUPERVISED BY AN ASSISTANT SUPERINTENDING ENGINEER.

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to accounting checks by its own Accountant-General, but in common with all other Government Departments, it is subject to an over-riding check by the Auditor-General ; and all matters of expenditure come within the purview of the Treasury and the Public Accounts Committee. The result of this is that commercial methods of accounting for and checking of expenditure in cash and materials cannot be followed in their entirety. A business house runs risks as regards both money and stores that a Government Department does not take. A firm will not incur expense in investigating a discrepancy in stores which may run into several times the value of the lost articles, as is done in Government Departments. Also a business house gives responsible members of the staff far more latitude than is given even to the higher officers of a Government Department. The result is that there has to be a larger clerical staff and more supervisors than in a business undertaking.

In regard to establishment, there is little doubt that a certain percentage of Government employees do not exert themselves to give a maximum output because their position is secure. I can now speak on this subject with some authority, as I had a long experience in the service and have now had some experience of commercial life. It may be that the theory of these officials is that they are giving a fair day's work for what they consider only a fair day's pay ; and that if they did do more it would not be immediately or adequately recognized.

In an outside business if a man works hard and well he is usually quickly and substantially advanced ; whereas in the Civil Service the great bulk of the staff receive only small annual increments and promotion is usually slow. This is a serious handicap in the administration of a Government Department, and is the reason why numbers of able men leave the service. To go no further than the Engineering Department, many instances could be given of able men having resigned to fill more important and more lucrative posts outside the service.

If there were a Leverhulme, or an Inchcape, or an Eric Geddes in the Civil Service he would climb the promotion ladder, probably a few steps at a time, but it would be many years before he reached the top rung.

In commercial life a man may go in one bound from near the bottom to near the top ; he would certainly reach the top in a fraction of the time he would in a Government Department. This is the reason why the Leverhulmes, the Inchcapes, and the Geddeses leave the Government service ; and many good men have left the Post Office and so weakened the administration.

Suggestions by critics of the Post Office for the better administration of the department appear periodically, but these critics are usually not well informed. One of the most common suggestions advocated is decentralization. But this is a subject which occupies the attention of

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the secretariat as well as every one of the departments of the Post Office. As the business has expanded, steps have been taken from time to time to decentralize, so as not to have an excessive staff in the Secretary's office or at the headquarters of any of the various departments. It has to be borne in mind that the growth of the Post Office has been very rapid. In 1860 the total staff amounted to some 25,000 persons and the gross revenue to about £3,400,000. The staff of the London Postal Service alone is now well over 33,000 ; whilst that of the Engineering Department is nearly 30,000, and the latter department at present is responsible for spending over 14 millions per annum. The gross revenue of the Post Office now approaches 60 millions and the total number of employees exceeds, as stated, 200,000.

Since 1860 the developments in the service have been rapid. To the carrying of letters and the money order business there have been added the Savings Bank (1861), telegraphs (1870), postal orders (1861), parcel post (1883), trunk telephones (1896), local telephone service (1912).

It is only within the last half-century that the work of the Post Office has become really complex in character and great in volume. In the early days the centralization was excusable ; nay, it was imperative. Even up to 1855 appointments to all postmasterships were made by the Treasury usually on the recommendation of the member of Parliament for the district. Most of those appointed had no experience in the service, and more often than not were of limited education.

In all departments appointments were by nomination.

With the growth of a trained staff, recruited mainly by competitive examination and promoted upon grounds of fitness, delegation of responsibility became possible. A policy of decentralization is, as already indicated, pursued by all in authority.

The secretary has from time to time delegated larger powers to surveyors (who have given more responsibility to postmasters) to the head of each of the main departments—Engineering, Stores, London Postal Service, etc.—and the head of each department has entrusted larger powers to his responsible officers.

I am, perhaps, going beyond the scope of the subject entrusted to me, but I should like in conclusion to mention one regulation in the Post Office Service which weakens the administration. No Leverhulme, no Inchcape, no Geddes could occupy the position of secretary or second secretary or even an assistant secretaryship unless he entered the service by examination and had previously passed through a university. There are certainly many men eminent in numerous walks of life who have graduated through a university, but there are also many giants in business who had no opportunity of attending a university. None of the latter class entering the Post Office can ever get one of the premier positions in the service. No man, however brilliant, in any one of the departments

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of the Post Office can carry the marshal's baton (the secretaryship) in his knapsack. It is a disability that should be removed, to the advantage of the administration. With one exception, the secretaryship has been filled from outside the Post Office staff. Many brilliant men have occupied the post, but not one of them has discharged the duties more ably or efficiently than the gentleman who was the exception to the general rule.

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## Reviews: Political Foundations

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### Reviews

[It will be the object of the Reviews of Books in the JOURNAL to cover the whole ground of the literature produced in the preceding quarter which may have a bearing upon public administration. By this means, it is hoped, some assistance will be given to the student and some direction to the general reader. A judgment of the value of the books will be attempted, as a portion of the ordinary duty of criticism, but the particular value of the book in its relation to the advance of the science of public administration will be regarded as the paramount criterion.]

#### Political Foundations

##### I

"POLITICAL ACTION." A naturalistic interpretation of the labour movement in relation to the State. By Seba Eldridge, Associate Professor of Sociology, University of Kansas. (London, Lippincott & Co.)

THIS book covers much wider ground than is indicated in its sub-title. It is a study of politics from the point of view of psychology, and in its distrust of intelligence and reason as being factors of importance in political discussion it goes much farther than previous writers on the same side. In fact, the disciple has outrun his masters. It is a despairing book and prescribes somewhat narrow limits within which the social process is likely to operate, for traditions and habits and instincts hold us to a conservatism which is not only likely to resist change in itself, but is especially prone to resist economic claims from classes which have not sufficient political power to insist on them. When Professor Eldridge comes to explain how it is that there has been any social legislation at all in the past, he gives us three theories, (1) it has been within the comprehension and compatible with the interests of the average citizen and thus obtains support from "parental, gregarious, constructive and inquisitive tendencies," (2) it has been calculated to obtain the political support of particular classes, (3) it has been brought about by the threat of the direct method, say, a national strike. It may be that these three reasons explain social legislation in England, but I venture to doubt it.

The last chapter of a most interesting book deals with a group of American writers on political psychology. Some of the names will be new to the average student, but the outline of the various theories is admirably given and we have a useful summary of the later tendencies. Professor Dewey's *Human Nature and Conduct* was well known to most of us and the examination of his theory of social faith based upon intelligence and education, shows precisely where the author stands. "Translated into terms of concrete social situations," he says, referring to Dewey's theory, "the hypothesis implies that individuals and groups can subordinate their desire for higher standards of living, their coveting

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of place and power, their fear or anger at the self-assertiveness of other groups or individuals, to an interest in the welfare of others, a willingness to share material wealth, place, power, and other limited social goods in an equitable fashion with other individuals and other social groups. Not only do the facts of social life disprove any such proposition, but they afford no justification for the faith that any such régime can ever be inaugurated." All we can hope for lies within the narrow limits indicated. As regards education and intelligence, Professor Eldridge brings evidence from his brother professors. It seems that "they motivate much the same sort of behaviour as in other strata of the population." It is an uncomfortable method of proof, but the whole book is uncomfortable. It may be for our good, as uncomfortable things are said to be, but one would rather be deceived if it is done a little cheerfully and a little more optimistically. Nevertheless, it represents a point of view which many seem to be taking in the United States and is a valuable statement of a case which leaves one despairing of the social process.

JOHN LEE.

## II

"SHADOWS AND REALITIES OF GOVERNMENT." By F. A. Bland, M.A., LL.B., Lecturer in Public Administration, University of Sydney, W. E. A. Series (Australia); x + 316 pp., 12mo. 1923. (Obtainable from The Students' Bookshop, Ltd., 16 Harpur Street, London, W.C.1.) 5s. net.

MR. BLAND'S opening words disclose his main purpose and explain the title he has chosen for his interesting work. His desire is "to throw into relief the administrative function in government, and to insist upon the necessity of facing the issues involved in the existing relation between the legislature and the administrative staffs. Politics is vitally dependent upon administration, and the present preoccupation with politics obscures and vitiates the whole course of Government. It is desired to get behind the shadows and fictions which darken our thoughts, and to reveal the agents in whose hands rests the actual administration of affairs." He starts from the State of New South Wales, of which he has a thorough and first hand knowledge. A sketch of the administrative system of that State occupies the last hundred pages of his book and will be a valuable work of reference. The earlier part is a thoughtful and suggestive discussion of the organization of public service in general, of the methods of recruitment and training, of the relation to Parliament and the public of Ministers and their departments, of arbitration on questions of Civil Service salaries and other conditions, and of the civil rights of civil servants, with suggestions for reform. The discussion is based on the experience of New South Wales, but the similar experience of the other

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Australian States and of the Australian Commonwealth is freely used, and the author is well acquainted with the reports of Royal Commissions and other committees dealing with Civil Service problems in Great Britain, and with the writings of British authors on the subject, from Macaulay, Stafford Northcote, and Bagehot, to Beveridge and Graham Wallas.

The shadows which obscure the realities of administration are the figments of a service responsible to Ministers, of Ministers responsible to the Cabinet and the Prime Minister, of a Cabinet responsible to Parliament, and of an administrative machine duly linked up with the needs and the knowledge of the public. His criticisms are based, first, on the experience of New South Wales and; secondly, on that of Australia, but they are applicable in great measure to British conditions. Walter Bagehot, in his *British Constitution* (1867), drew an attractive picture of the high-minded experts of public departments filled with all the esoteric wisdom of an ancient tradition of single-minded efficiency, but lacking knowledge of the outside world, and of bright, breezy, and brainy Ministers blowing in from business and politics to illuminate the experts with that comprehension of realities which was necessary to complete their perfection, and with such direction of policy as the needs of the public required. Bagehot must have been aware that in 1867 not all the chief officials of Whitehall were high-minded experts and that, if they had been such, their efforts would have been sadly hampered by the deficiencies of their staffs. He must have been aware that the average Minister of 1867 was an honest and rather stupid English gentleman, occupied with his own affairs and having a limited knowledge of life and of the adaptation of means to ends, quite incapable of teaching an intractable fogey, if he had one to deal with, which was not unlikely. In our days the experts are more expert than in 1867, and much more high-minded than they will admit in casual conversation, but they are not superhuman, even in their own ambit ; and Ministers are of all sorts, but in bulk a fully fair sample of the world they live in, hampered in their official capacity by the necessities of a political existence ten times more exacting than the party struggles of 1867. Bagehot may have been deceived ; it is more likely that he was not ignorant of realities but was mainly concerned to set forth the ideal of the British system ; and his ideal is still that to which we work. A similar ideal is that of Mr. Bland ; but in New South Wales he does not see it realized nor in a way to be realized ; he is not satisfied with his Ministers ; he considers the control of Parliament a sham ; he is not satisfied with his experts, and such as they are he considers they have no adequate chance of making their influence felt. He has a number of suggestions ; he thinks that every department should be under the supervision of a committee of Parliament, and should have the advantage of a consultative committee, selected from the public, to suggest reforms and new lines of policy ; that every State should be under a Board of

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Management with appointment of all officials, both for the State and the Commonwealth in that area ; that there should be a Board of Management to fix and allot the annual revenue. To supplement the ignorance of Ministers, he suggests that the permanent officials should appear in Parliament to explain and presumably to defend the laws they have drafted and the measures they have recommended. Some of these suggestions affect the Commonwealth as well as the State of New South Wales ; but in so far as they concern the State of New South Wales it should be remembered that the population of that State does not greatly exceed two millions ; and that methods not unlike the methods of the London County Council may be suited to such a unit, though they would be an intolerable impediment to the conduct of public business in the United Kingdom.

With Mr. Bland's objectives we are in entire concurrence : they are purity and efficiency of administration, with responsibility duly distributed and divided, and strictly co-ordinated from top to bottom, and referred in the end solely to the public welfare. His book is full of interesting information and discussion of practical points ; justice cannot be done to it in a short review. We will select some of the topics which are likely to have most bearing on our own problems of the time.

The State of New South Wales has been since 1895 under a Public Service Board, whose members hold office on a tenure similar to that of the Judges of the High Court in this country. "They appoint, promote, transfer, reward, discipline and dismiss" the officials of the departments, "regulate stores, devise methods, install equipment, and inspect working," (page 49). Incidentally, they fix salaries, but their awards of salaries are subject to the provision of funds for the purpose by Parliament. If the Public Service Board fixes salaries which the Treasurer is not able or willing to place on the Estimates, the awards are ineffective. Thus they also come under the financial control of the Treasury. When the State of New South Wales in 1901 passed its Industrial Arbitration Act, the manipulative branches of the State industrial undertakings came at once within its purview. This put the clerical and administrative staff of the N. S. W. Government at a disadvantage as compared with the manual workers, and discontent resulted. Finally, in 1919, all officials receiving salaries not in excess of £10 a week came under an Amended Act. But the awards of the Industrial Courts in different cases were incongruous, and finally, in 1920, a special Public Service Arbitrator was appointed to deal with Public Service cases. It remains to be seen how the awards of an irresponsible arbitrator will eventually be correlated with the exigencies of public finance. Sooner or later, questions of public salaries must become questions of public finance, at any rate in times of financial stringency.

Recruitment of the Public Service staff in N. S. W. has been from the

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## *Reviews : Political Foundations*

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bottom, with grade examinations for promotion. The Public Service Board has accepted as qualifying for promotion, in lieu of its own grade examination, legal, accounting, and similar qualifications obtained from recognized authorities by civil servants. Mr. Bland is not satisfied with the material thus obtained, and desires the adoption of entry to the higher grade direct by an examination similar in character to our examination for the junior administrative class. It is noteworthy that for the engineering, medical, and other professional and technical classes, the usual credentials of qualification are accepted, and appointment is made by selection (page 19). It is not stated what measures are adopted to secure impartial choice. Mr. Bland wishes the appointment of all officials from the heads downward to be taken from Ministers and given to an independent Board of Management (page 145).

In N. S. W. for many services the departmental system, under a Minister, is adopted, but for a number of services independent and autocratic commissions have been appointed, e.g. for the control of State Railways, Harbours, Irrigation, Government Banks, and the like. Such devices are justified by the needs of efficiency, but political influence appears not to be in effect eliminated, while Parliamentary control is hampered.

Mr. Bland devotes several pages (154-*seqq.*) to the history of Whitleyism in the Civil Service of Great Britain. He is well posted up in the documentary history of the movement, but, as is natural; he does not completely understand the working of the system. He believes that Treasury control is entirely eliminated. He also imagines that the Joint National Council and the Departmental Councils do in fact without consultation with Ministers issue in important matters mandatory decisions binding on the Government. His criticisms of the British Treasury (page 138) refer to the past and do not recognize the substantial changes that have been made in the last few years in the relations between the Treasury and the Departments. If there is a single weakness with which Mr. Bland may be charged throughout, it is that he refuses to acknowledge that a point may be reached in all public and indeed in all private affairs at which financial considerations must be conclusive.

For the other instructive and suggestive points in Mr. Bland's valuable treatise, we refer our readers to his book.

STANLEY LEATHES.

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### III

"EXPERIMENTS IN STATE CONTROL." By E. M. H. Lloyd. (Oxford University Press.) 10s. 6d. net.

THE general impression one gets from reading Mr. Lloyd's book is that at the beginning of the war he would have described himself as an individualist, but experience and study during that terrible period jolted his convictions with such violence that by the time he sat down to write his book he had arrived at that socialistic stage which holds that certain things are best done by private enterprise, but others, and particularly necessities, are best administered and managed by public bodies. He confesses to a prejudice in favour of freedom and private property, but adds that he is disinclined to admit that all the measures of commercial and industrial organization commonly called State Control, were necessary evils to be gratefully put aside and forgotten as soon as possible when peace came, and expresses the opinion that a considerable extension of co-operative and collective enterprise seems desirable in times of peace.

Mr. Lloyd leaves the reader largely to form his own opinions and conclusions, for though Professor Shotwell, the editor of the British series, of the Carnegie foundation, carefully sets out that the editorial board is not committed to opinions or conclusions advanced by the authors, Mr. Lloyd still more carefully says the book is not designed to teach Governments how to wage war or to be a textbook on the abolition of private enterprise. Indeed, he almost apologizes for any opinions which may emerge and describes his book as a record of facts and impressions, rather inferring that this is the function of history, but he cannot really mean that history is nothing more than a calendar of events, written in a more or less interesting fashion, for that is to degrade it to the level of day to day journalism and no history ever lives but in which the author has expressed very decided views.

What will surprise many people is that the author shows that the State Control of the war period was due to evolution and not to some sudden discovery in 1915. He traces the story of the supplies to the army from very early days and relates the privations of the men when the nation took as little interest as possible in its soldiers and left them to be starved and murdered by private enterprise. It was the great Duke of Wellington who first organized his commissariat on national lines, and so efficiently did he do it that when peace was declared the French sent a mission to enquire into his methods, but later this country fell back into older methods and not until after the Crimean War did we mend our ways.

It would be unfair to attribute all the evils of those days to private enterprise, for so criminally stupid were the Army regulations that when our men were dying from want of green food in the Crimea, a shipload of vegetables was refused because the commissariat had no power to buy

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them. Successive measures of reform were introduced and little by little centralization of purchases and control over contractors were brought about and while an immense amount of material and supplies were still purchased from outside firms, large quantities of guns, ammunition and clothing were manufactured direct, by the War Office, and much greater steps would have been taken in this direction but for the timidity of Governments.

The Admiralty pursued a somewhat similar system and even the Post Office followed with hesitant and quickly retraced steps.

Then came the war of 1914, and war on such a scale that it broke down the Army system and for a while there was chaos. Private enterprise was called upon and broke down too, and the story of the way out is not without its humour. Our Allies came to the Board of Trade and asked for help, so that department appointed Mr. U. F. Wintour to buy what he could, with the marvellous result that while our Allies were getting their supplies the British Army was short. Lord Kitchener heard of this and immediately commandeered Mr. Wintour as Director of Army Contracts, after which, the British Army got some of its needs. Still the War Office struggled on with private enterprise in many directions, but eventually national organization and centralized control took its place.

Requisitioning was early put into force, but by itself was insufficient and irritated the victims. Much more was necessary, so as a part of control an elaborate system of costings was devised, partly to secure fair prices for the Government, partly to secure a fair profit to all the many persons in an industry.

Let no one assume this was a simple matter, for the ramifications of commerce are bewildering. At the Ministry of Food, for example, it became necessary to fix the proper price of tea in all its stages, of which there are many, and the final result was to make the price to the consumer higher than some of us on the Consumers Council thought it should be. There was really no disagreement between the officials and ourselves, but they and we were helpless. What had happened was that each person who dealt with tea had added an infinitesimal fraction to his own price, not out of any desire to profiteer, but simply to ensure against loss, and when this was repeated and repeated the result was like compound interest, and the unfortunate consumer paid twopence a pound beyond a fair price.

In spite of its difficulties, the costing system was successful and Mr. Lloyd pays a warm and justified tribute to the vast majority of commercial men who accepted State Control not only without grumbling, but often with enthusiasm, and it may seem ungenerous to modify this tribute in any way, but, truth to tell, many people accepted Control as a good thing for the other fellow, and were not too scrupulous in evading it themselves.

It is by no means uncommon to meet people nowadays who will say that they went short of nothing during the war, and regard themselves as

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having accomplished something rather meritorious ; while the housewife who refused an extra pound of butter during the severity of the rationing period is probably not to be discovered. We all like freedom for ourselves and desire a police force for our neighbours, and it is probably a fuller realization of these things which makes writers more hesitant than before the war to express decided conclusions on State ownership and management. The war period showed that in a time of national stress people are willing to suffer many disagreeables with cheerful faces, but rejoice with fervour as soon as the war passes away, confusing the necessity for oppressive regulations in war time with the principle of control and thinking one could not exist without the other. The manufacturer and even the profiteer found the hand of the State less heavy than they feared, but probably asked themselves whether in peace time, when the detested civil servant has opportunity to look round, they would fare so well.

Many questions arise which have to be faced. What lesson, for example, is to be drawn from the fact that since 1919 successive attempts to introduce something akin to nationalization have failed in respect to mines, railways and milk ? It is probable that these attempts all indicate the growth of a feeling that, at least so far as essentials are concerned, collective effort is superior to private enterprise, and the failure to find general acceptance may be ascribed to general weariness after the war and the national desire to forget everything connected with it, whether good or bad.

History records other examples of this feeling. The dissoluteness of the reign of Charles II was not a sign that the world had suddenly grown wicked, but of a rebound from the dreary goodness of the Puritans, and the real qualities of Cromwell's followers survived after both their follies and those of Stuart times had passed away. So it will be with the collective work of the war.

One argument against State management is gone for ever. It used to be argued that it was impossible to do many things nationally which were easy to private enterprise, but the war proved that they could be done, and done with no more mistakes than are made daily under the other system. The impossibility of national management can therefore no longer be argued and as what remains is the desirability, the question is on a different plane, for once the possibility of a scheme is established all that remains is to decide whether it is better or worse than some other scheme.

It is a fair assumption that the compromising and practical mind of the people of this country, combined with their love of personal adventure is unlikely ever to assent to the fullest measures of collective effort, but the very qualities which will refuse to give up all individuality will recognize that much is done better in common than in any other way. More and more will the domain of private enterprise be invaded, and one of the compelling influences will be the successes of national management in the Great War.

G. H. STUART BUNNING.

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#### IV

"THE FOREIGN EXCHANGES." By A. W. Flux, C.B. (P. S. King & Sons, Ltd.) 10s. 6d. net.

THIS book is composed of the Newmarsh Lectures delivered by Mr. Flux in November and December, 1922, at University College, London. Mr. Flux has endeavoured to present, in a small compass, a survey of the theory of the foreign exchanges, in which account is taken both of the events and of the theoretical developments of the past ten years.

Such a book is meant chiefly for people who have not the opportunity to pursue a thorough and intensive study of the subject, but who feel the need of sufficient general knowledge of it to enable them to think clearly about the many pressing questions of the present day, which touch upon it at one point or another.

On the whole, the book fulfils its purpose very well. The second chapter, dealing with the relations of prices in different countries, is particularly clear and helpful. There follows a chapter on purchasing power parities, which elaborates the subject, and contains an acute and interesting discussion of the relation of price measurement to the foreign exchanges. This chapter, however, would have been both clearer and theoretically more perfect if it had taken more account of wages and the prices of services, as well as of the prices of commodities. Mr. Flux, when speaking of goods which do not move in international trade, seems to be thinking too exclusively of *material* commodities. In practice, the most important objects of expenditure which are subject to this limitation are often in the nature of *services* such as cleaning, cooking, repairing, retail dealing, building, inland transport, etc. And those great divergences of internal and external purchasing power of which Mr. Flux speaks may best be understood as divergences between costs of production and world prices. Of costs of production, wages are the most important constituent, and wages and internal price levels tend on the whole to move together, partly because they influence one another, but still more because they are affected by the same causes. It is difficult, if not impossible, to obtain index numbers suitable for illustrating the relation of wages to currency and exchange movements, but that difficulty does not invalidate the theory.

When Mr. Flux comes, in his fourth chapter, to discuss Inflation and Deflation he begins to take some account of cost of production. He attributes the advantage which a country derives from a depreciating currency in its export trade, *inter alia*, to the tendency of the depreciation of the exchange to outstrip the internal depreciation of the currency.

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But he does not explain *why* the exchange should move faster than internal prices. Perhaps if he had called to mind the explanation, he might have stated the case a little differently. For when the external depreciation of a currency is greater than the internal, that is usually because the exporting power of the country has failed to keep up to the level required. The reason may be that the country has to meet exceptional foreign liabilities, but that is not the only case. An inflation of the currency tends in the first instance to increase consumption at the existing level of prices, and so to *create* an immediate excess of imports. The excess of imports weighs upon the exchange market, and brings into play the tendency, described by Mr. Flux in an earlier chapter, for the exchange to depreciate till the balance between exports and imports has been restored. Thus the advantage in the export trade, far from being a formidable challenge to the country's competitors, is really a symptom of the inadequacy of its exporting power. That is why, in face of all the outcry against the competition of countries with collapsed exchanges, we find that the actual volume of their exports is not at all impressive.

The fifth chapter of the book deals with the discount rate. And here also what invites criticism is an omission which distorts the due proportion of the argument. Mr. Flux's discussion of the discount rate is confined almost exclusively to its effect upon *manufacturers*. Its effect upon *merchants* is hardly touched upon. Consequently, he does not bring out the close relation between the control of credit and the holding of stocks of commodities. The extreme sensitiveness of business in general, and of the price level and the exchange market in particular, to the discount rate is attributable to the dependence of the volume of orders given by merchants to manufacturers upon the merchants' policy in regard to the holding of stocks. If the discount rate rises, the merchant is deterred from holding stocks of commodities with borrowed money, he curtails his orders and production contracts.

Mr. Flux hardly mentions unemployment. He perhaps has sought intentionally to avoid controversy, but if controversy rages between those who maintain that unemployment is the most serious result of an ill-managed currency and those who maintain that it is no more than a secondary result, to omit reference to it altogether is hardly a middle course !

R. G. HAWTREY.

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### V

"GUIDE TO CURRENT OFFICIAL STATISTICS." (Issued by the Permanent Consultative Committee on Official Statistics.) First issue (1922), 1s. net. Volume 2, with Appendix (1923), 1s. net. (His Majesty's Stationery Office.)

IT will be recalled that the Report of Machinery of Government Committee embodied two guiding principles, the recognition of which, it was urged, would increase the efficiency of civil administration. It was recommended, in the first place, that the functions of the central government should be allocated to departments in accordance with the service rendered to the community rather than the class of persons dealt with. In the second place, a powerful plea was put forward for the adoption of the conception of "staff-work" in civil government. In close relationship with the latter principle, the need was stressed for the development of research and the systematic collection and co-ordination of information over and above what is required by, or is merely an automatic consequence of, current administrative necessities.

It is especially in connection with the examination, before the stage of political controversy has been reached, of policies adapted to the carrying out of "Social Reform," that a particular type of information is invariably essential. To ascertain the scope of schemes of social insurance, housing, and so on, it is imperative to know the number of persons to be dealt with, their distribution according to age, sex, locality, occupation, etc. Or, we may be confronted with a superficially simple inquiry as to the number of craftsmen in a particular industry at various times. More generally, we desire to know the size of the problem and so to study its administrative implications, and above all, to make estimates of the financial burdens involved. In short, we require adequate, unbiased statistics, for the collection of which the State, with its powers of compulsion and the impartiality of its administrative machine, is the only conceivable organ.

It has for many years been a matter for complaint that there is in this country no central body comparable with the Central Statistical Bureaux that exists in every other civilized community in the world. It is claimed that only by means of such a department (we deliberately eschew the term "bureau" with its unfortunate implications) that a truly national and extra-departmental point of view can be brought to bear on the development, collection and arrangement of the statistical information vital to good government. We cannot enter into the general controversy here other than to mention that, in the spacious after-war "reconstruction" era, publicists, economists and others holding the above views presented a petition to H.M. Government alleging defects in official statistics and calling for a public inquiry. The Cabinet of the day referred the petition for examination to a committee whose<sup>1</sup> report

<sup>1</sup> Report on the Collection and Presentation of Official Statistics (prepared by a Committee appointed by the Cabinet), 1921 (H.M. Stationery Office, 1s. net).

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should be studied by all who have at heart this problem of " staff-work " in civil government. While advising, on constitutional grounds, that no change should be made in the existing organization of official statistics, the committee recognized the need for closer co-operation between the statistical officers of the several departments, and recommended the setting up of a permanent consultative committee of statistical officers. After laying down the powers of the proposed committee, the committee appointed by the Cabinet further recommended that the permanent committee should be charged with the duty of preparing some form of annual index to the statistics in official publications. The committee doubtless felt that some of the misconceptions that they had found to exist would have been avoided had there been a general and extra-departmental volume indicating to those outside official circles the character and extent of the available published information.

As a result of the above report, the Permanent Consultative Committee on Official Statistics was set up, and has issued an *Annual Guide to Current Official Statistics*, at an almost nominal price, having regard to the prices now fixed for the publications of H.M. Stationery Office. Whatever we may feel as to the adequacy of the compromise involved in the constitution of the committee, the value of the guide is undoubtedly in that it provides for the first time an authoritative and comprehensive survey of the official statistics collected and made available to the public by the central departments of the United Kingdom, though scattered over many hundreds of separate publications. To go directly, unaided, to the volume appropriate to a particular service or other matter, requires a very considerable knowledge of the functions of the numerous central departments. But the guide does more than to place the inquirer in touch with the appropriate volumes ; it indicates precisely how the available statistics are analysed and so saves much time formerly wasted in fruitless searches.

The general plan of the *Guide* is to provide annually a detailed and systematic statistical survey of Government publications. But while, in form, statistical, it will be found to constitute, through the common association of statistics with letter-press descriptive of the branch of administration involved, a very general handbook of reference to the various branches of public administration. The survey is provided in the form of an alphabetical subject index exhibiting against each reference the degree and mode of analysis of the statistics contained in the publications to which the inquirer is referred. The time to which the statistics relate and the degree of local analysis are always shown. As, however, many publications deal with a wide range of subjects, direct reference to the publications concerned was impossible.

The volumes surveyed are accordingly shown in a separate " list of publications " in which they are grouped under the responsible

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departments, each publication receiving a distinctive serial number, which is used to secure references from the subject index. It is, perhaps, worth noting that special serial numbers had to be employed in view of the grouping of publications under departments. For while it is true that the two main categories of Parliamentary publications ("Command" and "House of Commons" papers) are already numbered consecutively, these numbers are allotted more or less in order of publication, irrespective of department or subject; and, in any event, non-parliamentary publications (formerly known as Stationery Office publications) have no official reference numbers.

In view of the grouping under departments of the publications in the list, it is evident that the department responsible for the particular service, in connection with which statistics have been collected and published, can be readily ascertained.

The first two issues of the *Guide* provide a detailed statistical survey of Government publications issued in 1922 and 1923; a number of important non-periodical publications issued early in 1924 have been included in Volume 2. The fact that issues of annual publications later than those surveyed have become available in 1924 (up to the time of going to press) has been indicated by prefixing a † to the title in the list of publications, thus rendering the *Guide* substantially up to date.

In the introduction to the first issue for 1922 the chairman of the committee alluded to the possibility of incorporating in a subsequent issue a brief survey of publications issued prior to 1922. This suggestion has been carried into effect in Volume 2 in the appendix relating to "publications of permanent statistical interest issued mainly since 1900." The appendix has wisely been extended to include a selection of the 1922 non-periodical publications appearing in the first issue, but which, in conformity with the annual character of the *Guide*, are replaced in the main annual section of Volume 2 by the corresponding publications of 1923. The appendix has necessarily been planned on simpler lines than those adopted in the preparation of the annual survey, but the wealth of material brought to light will be invaluable to research students.

In conclusion, we can confidently recommend the *Guide* to all interested in central and local government in both its statistical and (as previously explained) administrative aspects. Its value to libraries and the various research and information bureaux is undoubted. The local government point of view, too, has been kept in mind by the indication of the local analysis and by the inclusion of special cross-references. In any consideration of the reform or improvement of official statistics, it is indispensable to know precisely the character of the material provided by the present system. The Permanent Consultative Committee has supplied the answer to this essential preliminary inquiry.

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### VI

" PAYMENT BY RESULTS." By J. E. Powell. (Longman : London, 1924.) 21s. net.

THE scope of Mr. Powell's book is not so wide as the title suggests. It is confined to engineering and allied trades, and no reference is made to the long experience of the textile, mining, and hardware industries, in which payment by results is traditional and methods embodying a century of experience are in use. Nor will his readers find any discussion of previous contributions to his study. Some of the objections to payment by results that Mr. Cole voices are dealt with incidentally ; but there is no discussion of, or even reference to, Mr. Cole's book on wages. Even more surprising is the absence of any reference to the Webbs' treatment of payment by results in *Industrial Democracy*, the *locus classicus* of the subject.

These omissions are pointed out, not by way of criticism, but simply by way of description. The book is a technical man's study of a technical problem in a particular industry, making its appeal to practical men by its careful study of actual experience. Its value lies in its wide collection of actual cases and its acute analysis of their implications. While intended primarily for engineers, it may be read with advantage by anyone interested in the problem of methods of remuneration. Precept and principle are based so clearly on the experience related, that the modifications necessary in applying them to the conditions of a different industry can easily be made ; the book is quite free from the amateurish theorizing and half-baked generalizations that so frequently make the " practical " man's contributions to economic discussions useless.

After an introductory discussion of the need for and labour's objections to payment by results, the responsibility of the management for output is emphasized and the place of payment by results in obtaining this object indicated. The book then proceeds to give a large number of actual examples of low output and high cost, on the basis of which the succeeding chapters discuss the various systems of remuneration. The administrative problems involved in rate fixing are discussed in great detail, and no less than twelve chapters are given to an explanation of methods of estimating production in the principal operations involved in engineering work.

It is obvious that a technical treatise of this kind cannot be summarized in a few sentences. To the general student the chief interest of the book lies in the detail with which it works out the principle, that control of output, based on accurate estimating of productive capacity, is the essential condition of any successful system of payment by results. Fancy wage systems are no substitute for good management. Mr. Powell is very successful in illustrating how a change in methods of payment may be followed by an increase in output due to some other

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cause, and so divert attention from the true source of inefficiency ; and in working out in the concrete the results on cost of different systems. A flood of light is thrown on the problem of rate-cutting, and the attempts of employers to place on the shoulders of their workpeople the responsibility for proper organization, co-ordination ("team-work"), and equipment are dealt with faithfully.

If all employers' representatives were as honest and as genuinely scientific in their attitude to wage questions as Mr. Powell shows himself to be, the friction that has developed over payment by results would never have appeared. His own examples, however, show that a different attitude is common. The results on which payment is based are often outside the control of the operative, the estimates on which job rates are based are hit or miss guesses, and rates have to be cut if the work is to pay. It is not inequality of earnings corresponding with variations in effort and skill that upset labour ; variations are common enough in the textile industries without exciting discontent ; but variations that have no relation to effort. Even if all rates were fixed with the care Mr. Powell desires, after an estimate of production on the lines he describes, it may be doubted whether the worker could overcome quickly the suspicions based on past experience, and accept the management's estimates of productive capacity. However, an extension of payment by results is probably, on the grounds given by Mr. Powell, commercially necessary, and nothing but good can come from the diffusion of knowledge so scientifically compiled as the practical chapters of this book.

HENRY CLAY.

## VII

"THE INDUSTRIES OF THE CLYDE VALLEY DURING THE WAR." By W. R. Scott, M.A., D.Phil., Litt.D., L.L.D., and J. Cunnison, M.A. (Oxford University Press.) 10s. 6d. net.

THIS volume is one of the few studies of a particular geographical region included in the series of monographs which form the Economic and Social History of the War, published on behalf of the Carnegie Endowment. They are to be congratulated on producing the first comprehensive survey of a district which forms a clearly defined entity industrially and which both during and after the war has provided social and industrial problems of far more than passing interest.

The book opens with a brief, but well written, survey of the economic development of the West of Scotland and a statement of its resources in 1913. The rest of the book falls naturally into three divisions. Six chapters deal in detail with the dominant industries of the district and their gradual transference from peace to war time production. The eighth

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chapter treats of the Labour conditions during the period. The two concluding chapters attempt to give a picture of the social conditions and the life and work of the area during and after the war.

The main body of the book lies in the first section and has been carried out from the point of view of the statistician, rather than that of the descriptive writer. This lessens the interest to the reader, but the setting out in logical sequence of the facts and figures provides an excellent mine of reference for future writers. The chapters dealing with the coal industry and with the iron and steel manufacture are necessarily parts of the national problem as it affected these industries, but local problems arose and these are adequately dealt with. The immunity of the Clyde district from air raids and the comparative ease with which the upper reaches and sea locks of the Firth were defended from submarine attack by the boom drawn across at Dunoon, added to the resources of the shipyards and converted the whole harbour at an early stage into a huge naval dockyard, and the requirements of the yards dominated the industrial situation both as regards labour supply and raw material. The speed with which the whole engineering equipment of the area, which contained only one armament firm (apart from naval work), was changed over to the production of guns, shells, tanks, and other equipment stands as an object lesson to all those who believe that mere disarmament will bring peace to the world. The production of former peace time engineering firms in shells alone mounted up to over 8,500,000, and covered every variety required in modern warfare, from 2 pounds to 15 in. high explosives.

The remaining chapters on labour and social conditions are rather different in plan and much more open to criticism. To base a survey of the Clyde labour movements almost exclusively on the very slender data available regarding the shop stewards movement and the Clyde Workers Committee was bound inevitably to give a very inadequate view of the ferment which changed the outlook of great masses of the working class population. One would look in vain for any explanation of the marked change for example in the representation of the area, not only in Parliament, but on all the local government bodies. That it may be said lies outside the plan of the present study, but as that change has a clearly economic origin and was most active during the period under review, the reader might expect to find some explanation of the phenomenon. The lack of data is characteristic of most sections of purely working class movements. In Scotland, these do not lack theorists but these are in no cases writers or recorders of events ; their interest lies in the activities of the moment, and these are only very partially reported in the Press. If the gaps in this chapter stimulate one or two of the active participants in those movements to complete the story a useful purpose will have been served.

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The last chapter contains a plea for the development of the area by means of the suggested Mid-Scotland Ship Canal which is of some interest, as it is based on economic rather than on strategical grounds.

ROBERT NICHOL.

### VIII

"RUSSIAN DEBTS AND RUSSIAN RECONSTRUCTION." A study in the relations of Russia's foreign debts to her economic recovery. By Leo Pasvolsky and Harold G. Moulton, with the aid of the Council and Staff of the Institute of Economics. (Institute of Economics Series. McGraw Hill Publishing Co.) 12s. 6d.

THIS book makes an interesting contribution to the study of the Russian problem. It brushes aside the Soviet and all its works, and purports to be a guide to the investor in the States as to how to treat a reconstructed capitalist Russia. Written from a purely capitalist standpoint, it has, nevertheless, been enthusiastically hailed by the Soviet economists, if we may judge from a review which appeared in *Ekonicheskaya Shisn* of July 8th. We find here the key to the mystery in the authors' pronouncement that "Even if Russia should honour her existing debts, she cannot pay them!"

The Russia with which the authors deal bears no relation to the Union of Soviet Socialist Republics. Their picture is built up from data supplied by pre-revolutionary statisticians, mainly from Russian official publications. All the changes introduced by the revolutions, with the exception of the holding of the land by the peasants, are assumed to have disappeared. "The entire discussion assumes the possibility of Russia's return, with the aid of foreign reconstruction loans, to substantially the pre-war scale of operations." It deals "with the Russian debt problem if and when Russia succeeds in restoring approximately her pre-war economic status." The return of the capitalistic system and "responsible" government is taken for granted.

The authors, having thus founded Cloud Cuckoo Town, then proceed to deal with her engagements. What is the total of her foreign obligations? Could she produce a sufficient budgetary surplus to meet them? How could the budgetary surplus thus obtained be remitted abroad?

They put the yearly interest on Russian foreign obligations at 960 millions gold roubles per annum (240 millions each for the pre-war State debt and the new reconstruction loan, 400 millions for War Loan, and the balance, 80 millions, in foreign capital invested privately in Russia). Except this last item, all this would have to be defrayed from budgetary surpluses.

The Soviet representatives, in proposing to devote a small portion of a new loan to paying off old debts, are following the best established

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precedent of Russian state-craft. The foreign borrowing, which, especially in the twenty years preceding the war of 1914, resulted in extensive internal development, was in each case an expedient to stave off a bankruptcy, due to bad management and failure to impose adequate taxation. Just as the war broke out, however, Russian finances were beginning to turn the corner, and her budgets in 1911 and 1913 actually balanced.

The authors assume economic recovery and, taking 1913 as their basis, hold that Russia might raise sufficient in budgetary surplus to pay interest on the foreign debt. The budgetary surplus can, however, only be remitted abroad through an export surplus, which the authors proceed to demonstrate that Russia would not have. They treat these questions as independent one of the other. Now a budgetary surplus means that purchasing power has been withdrawn from the population for the needs of the State. If this is applied to the purchase of foreign currencies, these go to a premium. This process automatically favours exports and restricts imports. It is not, therefore, possible to base arguments as to what will happen in a reconstructed Russia with a budgetary surplus or what happened in pre-war Russia with a budgetary deficit.

Pre-war Russia undoubtedly exported to her maximum capacity. "We starve and export" was the Finance Minister's motto. With the land in the hands of the peasants, it is improbable that any Russian Government will be able to force the sale for export of so large a proportion of foodstuffs. Against an increased consumption per head must, however, be put some reduction of population from 178 millions to about 153 millions. Future production is put at 95 per cent of pre-war production. The authors calculate future export at about 1,150 millions of gold roubles as against 1,520, in 1913 (pre-war prices in both cases).

The 1913 imports amounted to 1,374 millions. The authors estimate her import "requirements" in the future at a minimum of 1,033 millions, or, taking post-war prices at 150 per cent pre-war, 1,550 millions. They add to this total the 960 millions of foreign payments and 70 millions of service charges and show 2,380 millions as the total volume of exports required to discharge all Russia's obligations. This amounts to a *reductio ad absurdum* and the authors conclude, "If the existing obligations are to be met, it is clear that new obligations cannot be paid. As a pure business proposition, people with money to invest cannot be expected to purchase Russian securities, if Russia is at the same time held responsible for the interest on the huge accumulated obligations resulting from past borrowings. Even if the most sober, determined capitalistic government conceivable were established in Russia—a government that fully appreciated the importance of financial integrity among men and nations—it would be altogether impossible for such a government to command credit abroad in the absence of a general financial reorganization. The

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only alternative to an outright cancellation of debts, if Russia is to enter into new credit relations with the outside world, is a long moratorium with a reconstruction loan of roughly 1·4 billion roubles, having a prior claim on Russia's international means of payment, namely, the export and import." The amount of the reconstruction loan, 1·4 millard roubles, is calculated as the sum on which Russia could pay interest, when having regained her pre-war status, she might have a favourable trade balance of 100 million roubles a year. Here the authors seem to be having it both ways, for they assume a perfectly reconstructed Russia and also state that this reconstruction must be dependent on a loan assumed to be three milliards. "No interest payments would be possible on either this loan or the pre-war state debt, nor could any interest or dividends be paid to foreign holders of industrial securities."

The investigation in this book brings out much interesting information as to the past, and shows considerable ingenuity as to the future. The method, however, of drawing a moral for the present by means of illustrations drawn from the past, and applied to an imaginary and distant future, makes a shaky basis for any conclusions.

H. M. L.

### India

#### IX

"INDIAN POLITICS," by J. T. Gwynn. (Nisbet.) 12s. 6d.

AMONG the recent sheaf of books about India Mr. Gwynn's has generally received inadequate notice. Perhaps this is natural. It is not, like Lord Ronaldshay's, a generalization made from the viewpoint of a soaring eagle, nor, like Al. Carthill's, a clever and half-cynical analysis, pointed with aphorism and allusion, of past and of present conditions. Mr. Gwynn, having previously spent sixteen years in India, went out again under the auspices of the *Manchester Guardian*; and his articles, which first appeared in the columns of that paper and are now presented in book-form, are for the most part a day-to-day narrative of talks with all manner of people. Mr. Gwynn does attempt to generalize—in periodic summaries of the results of his interviews. But these attempts do not form the most successful or convincing part of his book. The reader finds himself confronted with a kaleidoscopic complexity of ideas and a certain incoherence. He may even lay down the book in order to avoid the growing sense of mental confusion.

But this inductive method, this proceeding from basic facts, has, if the reader will only persevere, its own peculiar value. And the very confusion, muddlement and wealth of inconsistency which the interviews exhibit make up the impressive moral of the work. The diversities and

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contradictions of aim and opinion among the characters, be they Indian officials, professional or business men, landholders or agriculturists, be they Brahmans or untouchables, be they Gujaratis, Bengalis or Punjabis, be it a moderate like Mr. Phiroze Shah Sethna, free to air his views in the Council of State, or Messrs. Jawaharlal Nehru and Devadas Gandhi speaking in prison, drive home the lesson of this book. As Lord Meston says in his introduction to it, neither Mr. Gwynn nor any other enquirer has yet discovered what path the Swarajist means to take or to what goal he aspires.

Signs of constructive thought and power are conspicuous by their absence in the welter of contending opinions. The one striking deed recorded is the work of the non-co-operating volunteers during the Bengal floods, which, according to Mr. Gwynn's account, was thrown into high relief by the delays and inefficacy of government action. The point which appears to attract the writer in the programme of Swaraj (if there is such a thing) is the return to a more simplified life. Mr. Gandhi's programme as a whole is quite discredited. Non-violence has resulted in bloodshed. Non-co-operation fights a losing battle with obstructive co-operation. The spinning wheel is idle. The system of "national" education—well, let us hear Mr. Gwynn's own account of it. Two teachers are absent from the school visited. The third is occupied in doing nothing; so are the pupils. "With some difficulty we persuaded him to set the boys to work at the spinning wheels, or, rather, at one of them, for the others appeared to be out of order. We tested half-a-dozen boys, but none of them showed any sign of dexterity or practice, though they must have been attending the school nominally at least for months." Mr. Gwynn cannot imagine a more miserable spectacle than these fifteen boys kept idling in the name of patriotism within a hundred yards of a good school. And this is in Bardoli, the central town of the *tahsil* chosen by Gandhi for his great campaign of civil disobedience! "It is this sort of thing," says Mr. Gwynn euphemistically, "that makes some of us a little doubtful about Swaraj."

No wonder there is depression among the non-co-operators. They see promises unfulfilled, expected benefits dissolve into inconveniences. A non-co-operating politician, about to visit Delhi, sends a trumpeter round the bazaar to bid the folk close their shops and come and meet him. "That is very nice for him," comment four cloth shopkeepers. "Congress pays him for blowing the trumpet. But where do we come in? We suffer a double loss. They have forbidden us to sell foreign cloth, and now we are to close our shops." Disappointment, confusion and internecine strife among non-co-operators are the outcome. Even in Bardoli *tahsil* there has been lack of organization, and opinion is divided as to what would have happened if Gandhi had not at the last moment negatived his own plan of campaign. "The land-tax is heavy;

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but if Gandhi had fixed it we would pay more," say some stoutly. Others whisper of mock sales of land, to be redeemed when the purchasers, unembarrassed by any oath, have paid the dues ; or of an empty cottage, an open door and the tax money (with interest) left on what answers for the hall-table when the distraining officer comes round. "No one should refuse to pay," urges another. "Our troubles are the fault, not of the Sircar, but of the Indian official."

If such is the cleavage of thought in a single locality, how much greater is it between the different provinces of India and among a diversity of castes, creeds and nationalities ? Even as between places no further distant from one another than Bombay and Broach, the contrast in political thought is extreme. In the former city there is no hesitation in putting forward claims for immediate self-government, no doubt as to India's capacity for the task. In the latter, the great majority of professional men simply refuse to believe that any educated person, even among the non-co-operators, can think of Swaraj in the near future as a practical proposition. The Indian merchant sitting safe in Bombay inveighs against the military budget and laughs at the North-west Frontier as a bogey. But up country and especially in the Punjab the risks attending Swaraj are more clearly recognized the nearer you get to the North-west Frontier. The Mohammedan may grumble over the Balkans and the Khilafat question. But the smallness of his quota (only a paltry seventy millions) to India's population makes him scan the future with apprehension and cling, openly or secretly, to British rule. The untouchables may have friends among the non-co-operators. But experience teaches them that their first and firmest friends were the foreigners.

Behind these obscurities of vision, contrasted opinions and divided aims loom the tragedies of the Muhajirin and of Malabar, to say nothing of incidents like the Nankana Sahib massacre, Chauri Chaura or the Multan riots. Nevertheless, though the cry is for European troops to see fair play between the Moplahs and their Hindu victims, though Multan telegraphs for a European magistrate to restore confidence and a European doctor to certify injuries, yet, we hear, there is universal distrust of Government. In one passage of his book Mr. Gwynn seems to suggest that this attitude of distrust is a pose (in the present generation). This may be so in many cases. But the tendency in India is to regard Government as responsible for everything, including the rainfall, earthquakes, epidemics and the like. If things go very wrong, then Government is to be mistrusted. Those with whom the feeling is a pose may be the loudest to proclaim it. It is not difficult to instil it into the minds of the ignorant, especially if signs of growing weakness in the administration are discernible.

Mr. Gwynn would paint us a dark picture. Something has got to

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be done. Otherwise there is likely to be a catastrophe. The difficulty is to find anything solid in the nationalist programme. The sort of scheme that appears to appeal to Mr. Gwynn is the calling of a convention, which must be representative of all shades of opinion, to draft a constitution. Stages should be laid down for bringing the constitution into force, with machinery for its periodic revision. England should guarantee statutory sanction, provided the constitution complies with certain reasonable conditions. Mr. Gwynn thinks such a constitution might turn out to be surprisingly conservative; the Indian is a very sensible man except when his suspicions are awakened or his feelings are hurt. True. But any such scheme sounds suspiciously like the rejected round table conference. It would be difficult to select the representatives without incurring a charge of rigging. Could so heterogeneous a convention ever come to a settled conclusion? Where would the Indian Government come in? And, above all, where would Parliament come in? Parliament has been to the pains of giving India a constitution already. It may not be working very smoothly. But it is at least admitted that the English official has loyally accepted it and tried to make it run. Is it fair to ask a rather cautious democracy to scrap it before it has had the trial even of a single lustrum and to substitute something else?

The value of Mr. Gwynn's picture lies in the very chaos it discloses—a chaos which has just been manifested afresh at Ahmedabad. That is its big lesson. But there is another lesson too. The picture is pessimistic. But then the Indian temperament itself is pessimistic; it is also sensitive, suspicious and emotional. But likewise, as Mr. Gwynn rightly says, it is sensible; it might be added that it is conservative. Beneath the dark colours and the chaos there is a substratum of steady sentiment which those will welcome who, wishing only for India's good, are convinced that she cannot for many years to come stand without British aid. The book shows that Indians themselves largely recognize the fact and that, despite loud cries of "forward," there is an uncomfortable sense of shrinking from ills unknown. The moderate party may seem ineffective; but its very existence depends on its co-operation with Government. Should the struggle become desperate, the moderates might cease to be ineffective, men who now pose as extremists might change their creed; and one thing is certain—as Mr. Gwynn says, if the Ruling Princes (no negligible factor) exert themselves to bar the door against Swaraj, then Swaraj may have to wait.

H. SHARP.

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## *Reviews : India*

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### X

"INDIAN EMIGRATION." By Emigrant. (Humphrey Milford.) 2s. net.

THIS forms the fifth of a series of booklets issued by the Bureau of Information in India, in which the author traces the history of Indian emigration and states clearly and vigorously the Indian claims in this connection. The book is written from the standpoint of the Government of India, and the author is at pains to make good his contention that the Government of India has acted throughout with solicitude for the interests of Indian emigrants.

Indian emigration commenced in 1830, not as a result of the expansive force of the Indian population, but from the action taken by British planters in various parts of the Empire to recruit agricultural labour. Throughout the latter part of the 19th century the Government of India preserved an attitude of neutrality towards this form of Indian emigration, permitting it under regulations calculated to safeguard the interests of the emigrants, but resisting pressure from the Secretary of State to give active encouragement to the system. During the present century the action of the Dominions in prohibiting the immigration of Indians and in refusing political rights to Indian residents has had its effect upon the attitude of the Government of India. In 1910 they took power to prohibit emigration to any country at discretion; and the Indian Emigration Act of 1922 is, in the words of the author, "a comprehensive measure which makes every provision for the protection of Indian interests and Indian honour that experience or foresight can suggest, and declares that emigration for the purpose of unskilled labour shall not be lawful, except to such countries and on such terms as the Governor-General in Council may specify." The result of this legislation has been to stop all emigration from India, except to Ceylon and Malay. This has led to the curious situation that while, on the one hand, part of the British Empire refuses to admit Indians, the Indian Government, on the other hand, refuses to allow Indians to emigrate to other parts which would gladly receive them and afford them full political rights and good prospects of success. It is a matter of common knowledge that this controversy has led to much bitterness and recrimination.

Let us first consider the case of tropical dependencies, such as Fiji, Mauritius, the West Indies and British Guiana, to which Indian labour emigrated until recent years under a system known as the "indenture system." Under this system the planters put up the money for the passages of the Indian labourers, and the latter were in return bound to serve on plantations for a term of years. If the labourer broke his contract and left his work he was subject to penalties under the criminal law. Under this system many emigrants prospered exceedingly, but the arrangement, in spite of safeguards, was liable to abuses, and was

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brought to an end in 1916. Many hard things have been said of this system, deserved and otherwise. It certainly put the labourer to a great extent at the mercy of the employer, in spite of all precautions that could be devised ; and since the employers were white planters and the labourers Indians, questions which were essentially matters of social and economic significance were bound to assume a racial aspect. It is generally regarded as satisfactory that this system has been abolished, but the immediate effect of the abolition has been to stop the flow of labour from the congested parts of India to the empty spots of the world, in which the emigrants had opportunities far superior to those available to them in their own country.

To turn now to the self-governing Dominions. During the present century the Dominions have made increasingly stringent regulations against the immigration of Asiatics, including Indians. They defend this policy on the ground that they claim the right to determine the composition of their own population. Their contention is this : " We have organized ourselves on western lines, and our social arrangements, outlook and ideals are essentially British. We wish them to remain so, and object to an influx of Asiatics, who have a totally different social organization and attitude to life." So much for immigration. But the matter goes further than this ; for the self-governing Dominions do not concede to resident Indians the same political rights as are enjoyed by the white inhabitants. In the case of Canada, Australia and New Zealand, this difficulty is susceptible of adjustment, since the number of Indians affected is small, only some thousand persons in each case, and these Dominions have admitted the anomaly and agreed to reconsider the matter. It is in South Africa that the controversy is acute. Here we find some 150,000 Indians domiciled mainly in Natal. These Indians are subject to political disabilities and to certain restrictions as to residence and occupation. It is round this fact that the present controversy rages.

Now what are the rights in this matter ? The author clearly defines the Indian claim by stating that it is " for full freedom of movement, complete equality of opportunity and absolute parity of rights in all Crown Colonies." As regards the self-governing Dominions, the claim is the same, but for the time being India does not press the right of Indians to free immigration into the Dominions, in view of the agreement come to in 1917 between India and the Dominions. The Indian claim is based on the contention that allegiance to a common sovereign should carry with it the right of Indians to free movement within the Empire, and equal political rights as between Indians and white settlers. This claim is quite intelligible, but it must be recognized that imperial citizenship has no legal significance. Many may think that free movement of population within the Empire is desirable. Others may think that free movement of goods within the Empire is desirable ; but in either case it rests with

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each component part of the Empire to decide what is best for its own interests ; and in this India is no exception. She imposes tariffs and prohibits emigration at her will.

As a matter of practical politics the difference in the case of India arises from the fact that she has a very congested population, while the Dominions have a thin population and large areas of undeveloped lands. In countries like Trinidad and British Guiana, Indians are welcomed as settlers and afforded equal political rights. The reason for this is the practical one that the Indian immigrants form a very desirable ingredient in the existing medley of negroes, Chinamen and aborigines. In England, also, we welcome Indians because they come in hundreds only, and those too the upper classes of Indians. If we can imagine circumstances in which an enormous migration of lower-class Indians were to take place to England, it is easy to realize the objections that would be made. For the Dominions, also, the matter resolves itself into a question of practical expediency.

Consider the case of South Africa. The people on the eastern seaboard of Africa look across the Indian Ocean and think that they see 300 million potential immigrants liable to flood them. Like other communities in the British Commonwealth, they aim at a high standard of living, and they realize that the presence of frugal and industrious Indians tends to keep down this standard. It is especially in the case of retail trade that this competition is felt and resented. They have no desire to introduce the characteristic social and economic organization which forms so large a part of Indian life. So they exclude Indians. They regard the number of Indians already resident in Natal as sufficient to affect their organization if the latter were given full political rights. So they deny them these rights and offer them repatriation. Further, if Indians are given political rights, how about the Kaffirs ? This gives rise to a fresh set of problems.

The author contends that the South African attitude is actuated purely by economic jealousy and racial prejudice ; but there is more in it than this, and such recriminations are to be deprecated. We have within the Empire, races whose attitude of life, whose social, political and economic ideals differ widely. It is the thankless task of the Imperial Government to try to reconcile their divergent interests. The task is comparable with that which the League of Nations is attempting for the world at large.

This book is valuable as setting forth the Indian view clearly and, on the whole, moderately ; but it must be regarded as an *ex parte* statement, and it may be doubted whether it will convert many South Africans.

G. KEATINGE.

## THE FORUM

[The object of this section of the JOURNAL OF PUBLIC ADMINISTRATION is to provide an opportunity for frank discussion. Articles should not exceed 500 words and should be devoted to subjects of immediate interest to the Institute. They may or may not be signed, but must be written by an accepted Member or Associate of the Institute, and the name and address of the sender must be supplied.]

### DISTRIBUTION OF PUBLIC BUSINESS BETWEEN DEPARTMENTS

PROPOSALS have recently been made for a single National Insurance Organization, providing sickness benefit and unemployment benefit and also indeed benefit in case of accident and old age. Already administrative economy has compelled the use of the same staff of inspectors to enforce the stamping of cards both for Health Insurance and for Unemployment Insurance.

Some five years ago when "reconstruction" was in the air, far too much stress was laid on the principle that the respective functions of the various Government departments ought to be allocated so that services dealing with one subject matter should be allocated to the same department. It was at that time that the former Local Government Board, because it included the administration of the Public Health Acts, was combined under one Minister with the National Health Insurance Acts to form the new Ministry of Health. Even then the School Medical Service and the Factory Acts had of necessity to be left out of the new Ministry. To-day it is proposed to take the two Insurance Acts and combine them into one department.

The truth is that for the distribution of business between the various Government departments the subject matter of the service rendered is only one of several criteria : the method of administration is often a more important criterion than the nature of the subject matter. There are strong administrative reasons for dealing with the two great Insurance Acts together in one Insurance department : whereas a combination between the highly centralized Health Insurance administration and the Whitehall supervision of locally administered Public Health Acts can never be close. Similarly, the title of the old Local Government Board represented a perfectly wise conception of the distribution of public business : the title suggested, though the Board did not in fact completely realize the implication of its title, that the Whitehall supervision of all locally administered services might well be in the hands of a single Government department irrespective of the subject matter of the services locally rendered.

In the distribution of public business between public departments the subject matter of the services rendered is only one criterion : the method of administration is often more important.

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## LONDON

The programme for the opening months of the year 1924 is as follows—

### AT OLD COUNTY HALL

Date.	Subject.	Lecturer.
Jan. 24	Control of Expenditure within Government Departments	Sir H. N. Bunbury, K.C.B.
Feb. 28	The Exchequer and Audit Department . . .	Sir Sydney Olivier, K.C.M.G.
Mar. 28	Financial Control in Local Government Administration	Sir H. E. Haward.
April 11	Administrative Aspects of State Labour Policy . .	H. J. Wilson, Esq., C.B., C.B.E.

The chair will be taken at 6 p.m. at each meeting.

Members of the Council will be in attendance from 5.30 p.m. to receive members and guests.

### AT THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

Date.	Subject.	Lecturer.	Chairman.
Jan. 17	Town Planning.	Mr. I. G. Gibbon, D.Sc., C.B.E.	Sir Aston Webb, K.C.V.O., C.B., R.A.
Feb. 14	Whitley Councils and their Place in the Public Services.	Mr. G. H. Stuart Bunning, O.B.E., J.P.	Sir Russell Scott, K.C.B., C.S.I.
Mar. 13	The Public and the Administration of the Telephones.	Sir Andrew Ogilvie, K.B.E.	Sir Alan Garrett Anderson, K.B.E.

The chair will be taken at 6 p.m. at each meeting.

All Public Servants and others interested in Public Administration are invited to the lectures at the London School of Economics and Political Science.

## BIRMINGHAM

The programme for the opening months of 1924 is as follows—

Date.	Subject.	Lecturer.
Jan. 16	Principles Underlying National Finance . . .	Commander the Rt. Hon. E. Hilton Young, D.S.O., D.Sc.
Feb. 13	The Importance of Statistics in Public Administration .	Sir Alfred Watson, K.C.B.
Mar. 19	The International Labour Organization . . .	Viscount Burnham, C.B.E.

## MANCHESTER

The programme for the opening months of 1924 is as follows—

Date.	Subject.	Lecturer.	Chairman.
Jan. 15	A Social Budget.	Professor Henry Clay.	Sir Edwin Stockton.
Feb. 12	English and Foreign Administration Contrasted.	Professor G. W. Daniels.	
Mar. 14	Democracy and Administration.	Professor H. J. Laski.	The Rt. Hon. the Lord Mayor of Manchester.

## EDINBURGH

During the quarter ended December, 1923, important initial steps have been taken to form a Regional Group for Edinburgh and South-east Scotland. A meeting of members and associates in Edinburgh and District was called to consider the question and it was decided unanimously to form a Regional Group. A Committee was appointed with Mr. J. G. Mellersh, G.P.O., Surveyor's Dept., Edinburgh, as Chairman; and Major Jayne, Deputy Controller, Edinburgh Postal and Telegraph District, as Secretary, to study the whole question, draw up a constitution, and report to the next meeting of members and associates. The Committee has met regularly and it is hoped to call a general meeting of members and associates shortly to consider its proposals.

## SHEFFIELD

A meeting will be held on 18th January, to be addressed by Sir Henry Bunbury, for the purpose of inaugurating a branch of the Institute for South Yorkshire, North Notts, and North Derbyshire. Preliminary inquiries show that considerable interest is being taken in the project, and it is believed that a good number of members will be enrolled. All inquiries should be addressed to Mr. W. E. Hart, Town Clerk, Sheffield.

## REGIONAL GROUPS

Regional Groups have been formed or are in course of formation in the following areas, and the name and address of the Secretary or Organizer are given in each case—

Birmingham and West Midlands	Mr. H. C. Chamberlin	Council House, Birmingham.
Manchester	James J. Todd	30 Dickinson Street, Manchester.
Liverpool	T. W. Milburn	106 Claremont Road, Liverpool.
East Midlands	A. Long	"Olma," 35 Devonshire Road, Sherwood, Nottingham.
Leeds	Wm. Donnan	Lloyds Bank Chambers, Vicar Lane, Leeds.
Edinburgh	Major A. A. Jayne	34 Wilton Road, Edinburgh.
Newcastle	Mr. V. Grainger	Rates Dept., Town Hall, Newcastle-on-Tyne.
Hull	W. E. B. Wadsley	90 St. John's Avenue, Bridlington.
Bristol	M. O. McAuliffe	Education Offices, Bristol.
Belfast	J. Huggett	32 Scottish Provident Buildings, Belfast, Ireland.
Cardiff	H. Mason	Accountants' Dept., County Hall, Cardiff.
Sheffield	W. E. Hart	Town Hall, Sheffield.
Portsmouth	R. Staples	Pearl Buildings, Commercial Road, Portsmouth.

The Birmingham and West Midlands Group has now become well-established, with a membership growing steadily, both in numbers and enthusiasm. By the time this issue is published, the 300 figure will have been reached, and it is of interest to note that the proportions of the two classes are : members, 110, associates, 190, indicating that the younger and the senior officers are pulling together in this venture. Moreover, the balance between the Civil and Municipal Services has been well preserved in the numbers enrolled, which is another satisfactory sign.

The lecture season opened at the Birmingham University on 24th October with an address from the President of the Institute (Lord Haldane, O.M.) on "Decentralization of Administrative Government." It was stimulating to see the large attendance present, including the Principal of the University (Mr. G. Grant Robertson, C.V.O.), who in a few remarks at the close welcomed the formation of the Group, and promised they would find the University their allies and friends in developing the science of public administration. The second lecture was given by Sir William Beveridge, K.C.B., on 14th November, on "The Civil Service and its Critics." Again the audience was a large one, and a useful discussion followed, as was also the case on the occasion of the third lecture, on the 14th December, on "Local Rating," by Mr. Arthur Collins, who received a specially warm welcome from his many Birmingham friends made when he was the City Treasurer there.

Support to the Institute is being given by the Birmingham Municipal Officers' Guild, whose officers always keep a keen eye on movements for the advancement of their class. The Editor of their brightly-conducted journal, *The Guildsman*, has opened his columns to a monthly article on the doings of the Branch, and the Committee of the Guild have passed a resolution welcoming its formation, and pressing its claims on all connected with the Municipal Service. From the Civil Service accounts come, too, of staff meetings held with the same end in view, and thus the Institute and its aims are being kept well to the front in this area.

The Rt. Hon. Austen Chamberlain, M.P., is President of the Group, and Sir David Brooks, G.B.E., has accepted office as Vice-president.

The Group Council, under the chairmanship of Mr. John Scott, M.B.E. (Postmaster-Surveyor, Birmingham), have appointed two committees, a Finance and General Purposes, and an Education and Propaganda Committee, to get to grips with the work allotted to them, and to stimulate local individual effort. The respective chairmen of the committees are, in the order named : Mr. C. H. Garland (Divisional Inspector, Ministry of Health); and Mr. Arthur Lewis, B.A. (Director of Education, West Bromwich), while the Hon. Secretaries are Mr. H. C. Chamberlin and Mr. F. H. Bowater, to whom communications relating to this Group (addressed to the Council House, Birmingham) should be sent. They will be pleased to answer inquiries, and assist any member of the Civil or Municipal Services willing to undertake the work of organizing the Group in towns where it has not yet become sufficiently well known.

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## BIRMINGHAM

The issue of this number of the Journal synchronizes with the completion of the first year's existence of the Birmingham Group, and a brief survey of the work accomplished may not be inopportune.

Birmingham was one of the first of the big provincial cities to respond to the call of Central Headquarters for local effort and initiative towards helping forward the new movement in public administration. National and Local Government officers were quick to see the potential advantages of the Institute, not only to the individual, but what was of far greater importance, to the cause itself, and they soon realized that if it were adequately to fulfil its mission, the provinces must take a large share in the work.

Public administration *per se* has been receiving increasing attention locally in recent years, so much so that it was felt that the time was ripe for organized effort, when in March of last year Civil Servants and Local Government officers met together for the first time in Birmingham and took combined steps to establish a Group there.

The idea of a separate Institute for public officers was a new one, and development was perforce gradual. Consequently we find that judicious propaganda occupied much time and attention. But the main object, the development of the Public Services as a profession, and all that that entails, was kept clearly in sight. On the educational side it was felt that subjects having a wide appeal and treated by well-known men would best meet the needs of the members, and the Group Council were fortunate in obtaining for their monthly series of addresses the services of many eminent speakers. By this means the members, while increasing their knowledge, were afforded opportunities for discussion and interchange of ideas.

The list of lecturers has already appeared in this Journal, but the Council desire to take this opportunity of publicly acknowledging the very valuable assistance they have given, which has been instrumental in carrying through the winter programme to a very successful conclusion.

Attempts are now being made to ascertain the wishes of members in regard to educational courses, and study circles on various aspects of administration, so that the Birmingham University may form an indication of the demand likely to be made upon any courses they may find it possible to arrange.

Further to make the work of the Group more widely known and to bring the local members into closer contact, a social and musical function was held in one of the city's hotels on 24th March. Sir David Brooks, G.B.E., presided, and a most enjoyable evening was spent, members being present from many of the surrounding towns and from the counties.

Meanwhile it is encouraging to record a steady growth in the Birmingham and West Midlands Group, the numbers being now over three hundred.

## MANCHESTER

The session for 1923-24 came to an end on the 14th March, when Mr. H. J. Laski gave an address on "Democracy and Administration," the Lord Mayor of Manchester being in the Chair.

It was inevitable that our first year should be one of self advertisement and propaganda. We have now done all that can be done by these means and, like the parent body of which we are a branch, we must justify our existence in future by something more solid. We have created the name and made it

known—it is now time to develop the substance. The problem of how to do this is one which already afflicts the Council of the Institute, but there seems no reason why experiments on parallel lines should not be made in various places. If the Institute is to prosper it must take some field of research and by hard spade work produce a crop of well-thought-out doctrine which will be peculiarly its own. In Manchester we hope to make a beginning on "Constitutional Law in Relation to Public Servants" and, with the help of the University, it is probable that something will be done in the Autumn of 1924.

The constitution of the Institute has been on the operating table during the winter, and Manchester has postponed the framing of its Group constitution until it knew the nature of the body of which it was a Group. Now that the constitution of the Institute has taken final shape, no time will be lost in drafting and submitting to the members and associates in the area a constitution for the Group which will be in harmony with that of its parent.

## LIVERPOOL

The following meetings were arranged for March and April, 1924.

SATURDAY, 8th March, 3.30 p.m. Paper on "The Imperial Budget," by L. H. C. TAYLOR, Esq., B.Com. (Manchester). Technical School, Byrom Street, Liverpool. (By invitation from the Institute of Municipal Treasurers and Accountants, North Western Students' Society.)

THURSDAY, 20th March, 8.0 p.m. Lecture on "Local Government on the Continent," by MONTAGU HARRIS, Esq., C.B.E. (Ministry of Health). Committee Room D, Municipal Buildings, Dale Street, Liverpool.

SATURDAY, 12th April, 3.0 p.m. Visit to General Post Office. (By kind permission of the Postmaster-Surveyor.)

FRIDAY, 25th April, 8.0 p.m. Annual Meeting of Members and Associates. Short address on "State of Industry," by the Chairman, Mr. J. J. CLARKE, M.A. Committee Room D, Municipal Buildings, Dale Street, Liverpool.

MR. R. W. WOODHEAD, A.S.A.A., 9 Queen Square, Liverpool, is now acting as Hon. Secretary of the Group, and all enquiries should be made of him or of one of the following gentlemen : MR. W. G. OLLASON, 13 Walker's Buildings, Whitechapel, Liverpool; MR. JOHN J. CLARKE, M.A., University of Liverpool ; MR. W. PORTER, City Treasurer and Controller's (Education A/cs.) Dept., Municipal Buildings, Liverpool.

## EDINBURGH

The formation of a Group in this city is being actively pursued. The promoters are working in close touch with the University of Edinburgh and are making arrangements for their members to be admitted to lecture courses at considerably reduced fees. Major A. A. Jayne, 34, Wilton Road, Edinburgh, is acting as Hon. Secretary.

## SHEFFIELD

A Group was formed in January last at a meeting held at the Town Hall, addressed by Mr. John Scott, Postmaster-Surveyor of Birmingham.

There were on the 15th March between 60 and 70 members and associates.

A meeting was held in the Town Hall on 25th March addressed by Sir Henry Bunbury and Mr. H. G. Corner which resulted in a large increase of membership.

The provisional committee are also considering the question of a Summer programme, so that the members will be kept in touch with each other during what may be termed the "close season."

A sub-committee has been appointed to draw up a constitution for the Group, which at present includes Sheffield, Rotherham, Barnsley, Doncaster, Chesterfield, and Retford, and the contiguous areas.

*Chairman of Provisional Committee :*

LT.-COL. F. N. WESTBURY, Postmaster-Surveyor, Sheffield.

*Treasurer of Provisional Committee :*

MR. J. ADDY, Ministry of Health, High Street, Sheffield.

*Joint Hon. Secretaries :*

MR. J. B. SWINDEN, Waterworks Office, Town Hall, Sheffield; and

MR. ALAN CAMERON, Asst. Supt., Post Office, Sheffield.

## REGIONAL GROUPS

Regional Groups have been formed or are in course of formation in the following areas, and the name and address of the Secretary or Organizer are given in each case—

Birmingham and West Midlands	Mr. H. C. Chamberlin	Council House, Birmingham.
Manchester	" James J. Todd	30 Dickinson Street, Manchester.
Liverpool	" R. W. Woodhead	9 Queen Square, Liverpool.
East Midlands	" A. Long	" Olma," 35 Devonshire Road, Sherwood, Nottingham.
Leeds	" Wm. Donnan	Lloyds Bank Chambers, Vicar Lane, Leeds.
Edinburgh	Major A. A. Jayne	34 Wilton Road, Edinburgh.
Newcastle	Mr. V. Grainger	Rates Dept., Town Hall, Newcastle-on-Tyne.
Hull	" W. E. B. Wadsley	90 St. John's Avenue, Bridlington.
Bristol	" M. O. McAuliffe	Education Offices, Bristol.
Belfast	" J. Huggett	32 Scottish Provident Buildings, Belfast, Ireland.
Cardiff	" H. Mason	Accountants' Dept., County Hall, Cardiff.
Sheffield	{ " J. B. Swinden	Town Hall, Sheffield
Portsmouth	" Alan Cameron	Post Office, Sheffield.
	" R. Staples	Pearl Buildings, Commercial Road, Portsmouth.

# The Institute of Public Administration

## The Council, 1924-1925

*President :* RT. HON. VISCOUNT HALDANE, O.M.  
*Vice-Presidents :* RT. HON. SIR JOHN ANDERSON, G.C.B.  
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SIR N. WARREN FISHER, G.C.B.  
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„ G. S. W. EPPS	„ HUGH SHAYLER
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MR. THOMAS JONES	MR. W. H. WADDINGTON
„ H. J. LASKI	PROF. GRAHAM WALLAS
SIR ALEX. LAWRENCE, Bt.	MR. C. T. R. WHETMATH
„ STANLEY M. LEATHES, K.C.B.	„ E. F. WISE, C.B.
MR. JOHN LEE, M.COM.	

### THE "HALDANE PRIZE"

The Council invites members and associates to enter for the second essay competition for the Haldane Prize of £10 and a silver medal which will be awarded to the writer of the essay which is regarded as forming the most useful contribution to the study of Public Administration. The Council has decided to leave the choice of subject open to the competitor, and the conditions are as follows—

1. The competition is open to all members and associates of the Institute.
2. Copyright in the prize-winning essay is vested in the Institute of Public Administration, and no responsibility is accepted for the return of essays to the writers.
3. All essays shall be submitted under a *nom de plume*, the full name and address of the competitor to be written on a separate sheet of paper and enclosed

in a sealed envelope bearing the *nom de plume* on the outside, the envelopes to be opened in the presence of at least two officers of the Institute after the judges have given their award.

4. The award of the judges, appointed by the Council of the Institute, is final.
5. The length of the essay must not exceed 5,000 words.
6. All essays must be sent to the Secretary of the Institute not later than 1st November, 1924, the envelope to be endorsed "Essay Competition."

### BIRMINGHAM AND WEST MIDLANDS REGIONAL GROUP

The Annual Report of the Council of this group for 1923-24 was presented at the Second Annual Meeting, held on the 25th June, 1924, in the City Council Chamber, Birmingham (lent by kind permission of the Right Hon. the Lord Mayor).

The Report gives a concise account of the doings of the year.

With regard to group representation, the central constitution provides that the Chairmen of Groups shall *ipso facto* be members of the Council. The Group Council is of opinion that this decision is one of great importance to the Institute. It is necessary on the one hand that the views of the provincial groups should be adequately represented at headquarters before decisions affecting the provinces are made, and on the other, it is of advantage that recommendations originating in a particular Group should be supported at the Central Council by the Chairman of the Group.

While this has been recognized by the Central Council, the Group Council finds no reference to the question of expenses incurred by those called upon to attend the meetings. The matter has been discussed with the central body, who take up the position that apart from the large cost which would be entailed on account of the number and scattered situation of the groups there are other difficulties which prevent the Central Council from meeting the expenses.

The Group has expressed concern at, and disagreement with, this decision, and has asked for a reconsideration of the matter.

The lectures arranged for last winter were well attended, particularly the Inaugural Address by Viscount Haldane at the Birmingham University. The average attendance at the other meetings was about 150. Each lecture was followed by a useful discussion, which was replied to by the lecturer. Good notices appeared in the Press, and more extended reports were published in the *Guildsman*, the monthly journal of the Birmingham Municipal Officers' Guild. The Council appreciates the assistance thus rendered and has conveyed its thanks to the Editor for his generous assistance to the movement locally in this respect.

### LECTURE SYLLABUS, 1924-25

The new syllabus has received the earnest consideration of the Council, who have endeavoured to provide subjects more closely related to the aims of the Institute and the everyday practice of public administration. The subjects will include—

- "Co-ordination of Administrative Departments."
- "Local Public Services from the Business Man's Point of View."
- "Principles of Staffing of State Departments."
- "Principles of Staffing of Local Government Departments."
- "Industrial Councils and Whitley Committees in the Public Services."
- "Overseas Administration."

Lecturers are being approached, and acceptances will be announced shortly.

## LECTURE COURSES AT THE BIRMINGHAM UNIVERSITY

Inquiries have been made as to the possibility of the University authorities arranging one or two courses of lectures (at Edmund Street) of interest to public officials. It appears that a University Extension Lecture Committee is about to be appointed, and as soon as this is in active operation it is proposed to make application to it for courses during the coming autumn and winter on—

- (a) Constitutional Law, *and/or*
- (b) Statistics, and their application to the Public Services.

## STUDY CIRCLES

Research work, through the medium of Study Circles, is one of the important matters to be fostered by the Institute, and steps have been taken locally to ascertain the demand and the subjects most suitable for investigation and discussion.

A satisfactory response having been received, a meeting of those interested was held, when the following subjects were provisionally selected for submission to the membership, with the object of starting circles in October—

- (1) "The Human Element in the Relations of the Services to the Public."
- (2) "Social Psychology as applied to Administration and Control."
- (3) "Financial Control of National and Local Public Services."
- (4) "Devolution of Central Administration."

It is suggested that those interested in a particular subject should meet at an agreed centre (probably Birmingham to commence with) and appoint a qualified leader, who would be able to suggest appropriate books and direct the course of discussion. It is necessary after a start has been made that each circle should be self-contained, convene its own meetings, and prepare its reports. These would be submitted first to the Education Committee and afterwards published for the benefit of the Institute.

## HALDANE MEDAL, 1924

The Group records with great satisfaction that one of its members, Mr. A. V. Tranter, of Coventry, was successful in winning the Haldane Medal in the essay competition promoted by the *Journal*, the subject being "Criticisms on the Civil Service, and Proposed Reforms." A letter of congratulation has been sent to him on behalf of the Group.

## MEMBERSHIP

The efforts made locally, and the fact that the Institute is becoming more widely known and recognized in the administrative world, has resulted in a gratifying increase in the Group membership. The numbers now exceed three hundred, and a steady influx of new members is noticeable. The Council feels, however, that many more would join—and the potentialities for good work in the common cause would thereby increase—if the Institute could be made better known, particularly in the important outlying towns and country administrative centres at present remote from the possibility of adequate organization from the centre. Here is an opportunity for members in such places to take a share of the work, and if possible the Council would like to know that each town

had a local organizer willing to take the lead in helping forward the movement, by arranging local informal gatherings of public officers (for which the Council would be willing to find a speaker), or in any other way likely to prove effective.

The activities of the Group would thus expand, and the provision of lectures, etc., for the smaller towns be facilitated.

### GROUP COUNCIL, 1924-25

The names of the elected representatives are as under—

MR. W. S. BODY	MR. F. G. NORRIS
„ J. H. BROADLEY	DR. J. ORTON
„ V. M. COLLINS	MR. WALTER POWELL
SIR JAMES CURTIS	„ CHAS. M. RAY
„ C. H. GARLAND	„ ERNEST SANDFORD
DR. P. D. INNES	„ JOHN SCOTT
MR. N. C. JEFFERY	„ F. C. SIMPSON
„ HERBERT LEE	LT.-COL. E. V. SYDENHAM
„ ARTHUR LEWIS	MR. E. A. R. WERNER
„ T. R. S. LLOYD	„ F. H. C. WILTSHIRE

In conclusion, the Council desires to thank all those public servants who have given time and effort in furthering the work of the Institute locally during the past year.

### EDINBURGH AND SOUTH-EAST SCOTLAND REGIONAL GROUP

This Group is now well established and progressing steadily in its work. A Council has been formed comprising the following—

MR. G. CRUICKSHANK, M.B.E., East Lothian County Council.

DR. K. M. DOUGLAS, F.R.C.S., Medical Officer to the General Post Office, Edinburgh.

MR. T. REES EVANS, B.L., Estate Duty Office, Edinburgh.

MISS JANET HARPER, M.A., Scottish Board of Health, Edinburgh.

MR. J. D. IMRIE, B.Com., Deputy City Chamberlain, Edinburgh.

MAJOR A. A. JAYNE, D.S.O., O.B.E., M.C., Deputy Controller, General Post Office, Edinburgh (Hon. Secretary).

MR. J. G. MELLERSH, Surveyor, General Post Office, Edinburgh (Chairman).

MR. J. S. PORTEOUS, City Collector, Edinburgh Corporation.

MR. J. F. REES, M.A., University, Edinburgh.

MISS M. RITSON, Scottish Board of Health, Edinburgh.

MISS ALICE YOUNGER, O.B.E., M.A., Ministry of Labour, Edinburgh.

The two first Hon. Vice-Presidents are—

SIR W. L. SLEIGH, Lord Provost, Edinburgh; and

SIR JAMES ADAM, King's and Lord Treasurer's Remembrancer, Edinburgh.

Arrangements have been made with the University of Edinburgh for a series of lectures on Public Administration during the forthcoming winter.

### MANCHESTER REGIONAL GROUP

A course of lectures has been arranged for October to December, 1924, at the Manchester University on "Law and the Public Servant." The course will be restricted to members and associates of the Institute of Public Administration, will consist of about ten lectures, and will be conducted by Dr. R. A. Eastwood, Professor of Law.

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